ALBERTA SOLICITOR GENERAL

ANNUAL REPORT

2003-2004

Government of Alberta

2002 IPAC
Gold Award
for Innovative
Management

Alberta

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Public Accounts 2003-2004 – Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

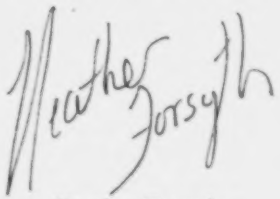
The annual report of the Government of Alberta released June 29, 2004 contains the Minister of Finance's accountability statement, the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Solicitor General contains the minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- the financial statements of entities making up the ministry including the Department of Solicitor General and the Victims of Crime Regulated Fund for which the minister is responsible; and,
- other financial information as required by the *Financial Administration Act and Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2004, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 8, 2004, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Heather Forsyth
Solicitor General

Vision and Mission

Our vision is to ensure Albertans have safe and secure communities in which to live, work and raise their families.

Our mission is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services, and when crime is committed to assist victims of crime.

A Message from the Minister

I am pleased to present the 2003/04 Alberta Solicitor General Annual Report.

In 2003/04 we continued to play a key role in the government-wide goal to ensure Alberta's communities remain safe places to live, work and raise families. In our third annual report we are also pleased to say we continued to hear from Albertans that they are confident in the work we are doing to help keep them safe in their communities. This is something we will continue to strive for in the coming year.

The past year has been a very busy one as the department prepared to respond to major reviews of two of our core businesses, policing and corrections.

The response to the MLA policing review was released to the public on March 26, 2004. One of the key changes that came out of the policing review was the development of a new funding formula for municipalities. The threshold at which municipalities will be required to pay for their own policing has been raised from 2,500 to 5,000. In addition sustainable funding has been provided to municipalities with populations over 5,000 through a per capita policing grant. Another key initiative stemming from the policing review was the implementation of mandatory standards applicable to all police services.

Over the past several years, there have been a number of exercises to help the provincial government develop its policing strategy for the next decade. This included the MLA Policing Review, public and stakeholder responses to that report and its recommendations along with the Provincial Policing Vision Exercise. The vision is a government strategy for the next decade to ensure Albertans receive the best possible policing centred around three principles: equitable policing, provincial leadership and public oversight of policing.

On March 30, 2004, the government response to the MLA corrections review report was released. The review looked into areas such as staff and community safety and offender rehabilitation, while at the same time ensuring the correctional system remained cost-effective. Some of the key recommendations that will be implemented include hiring more probation officers, implementing a smoking ban in adult jails, and closing some underused adult work camps and young offender facilities.

Additionally the *Corrections Amendment Act*, proclaimed in September 2003, and supported by the review, brought in tougher rules for offenders caught with drugs, including random drug testing. Tasers and drug search dogs were also brought into correctional centres in an effort to increase public, staff and offender safety.

There were some difficult decisions to make with the policing and corrections reviews but I felt it was important to move forward with some strong steps toward improving our systems.

A MESSAGE FROM THE MINISTER

My ministry continued to push the federal government to implement a truly effective national sex offender registry, and we have seen some progress on that front. Representatives from my department together with Alberta Justice officials appeared before the House of Commons Standing Committee on Justice and Human Rights in Ottawa to persuade the federal government to change the proposed legislation to include offenders serving sentences at the time the legislation was proclaimed. The federal government addressed this concern when it passed legislation in April 2004 to establish a national sex offender registry, but we will continue to lobby them to include geo-mapping capabilities within the enhancements to the Canadian Police Information Centre (CPIC).

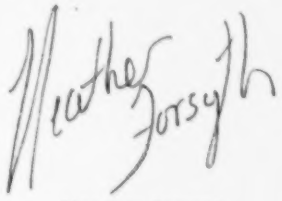
Over the last year, I have been fighting against the spread of methamphetamine into Alberta communities. An inter-governmental working group was set up by my department to develop a strategy to deal with increased production and use of the illicit drug. In November 2003, on a fact-finding mission to California, Arizona and Colorado, I examined first-hand the growth of methamphetamine production and use in the United States. The results of that mission were subsequently passed on to a working group.

In June 2003, my department also announced a $3.5 million commitment to create the Integrated Response to Organized Crime (IROC) unit. The unit conducts investigations into organized crime and gang activity currently difficult to undertake by other police services because of their complexity or scope. I truly feel that if we are to maintain our safe communities, we must strengthen our police resources to bring organized crime groups to justice.

Victims of crime continued to play a significant role in our justice system in Alberta. The review of victims programs continued over the last year and is expected to be released in the next fiscal year with a 10-year plan that will provide a more meaningful role for victims in the criminal justice process.

Over the next year we will also remain focused on the implementation of recommendations within the policing and corrections reviews, as we chart new directions for the way victims participate in the justice system. In response to the policing review we will also be working toward a stronger civilian oversight process in the coming year.

This year's annual report reflects our ongoing commitment to ensuring this province remains safe for all Albertans. I truly look forward to the goals we can accomplish together in the coming months ahead.



Heather Forsyth
Solicitor General

Management's Responsibility for Reporting

The Ministry of Solicitor General includes the Department of Solicitor General and the Victims of Crime Fund.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

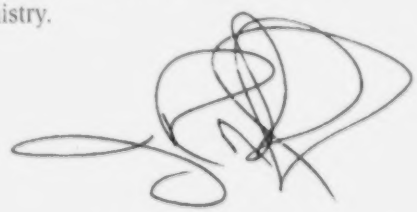
Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Solicitor General. Under the direction of the Solicitor General, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgements. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As deputy solicitor general, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and the Solicitor General any information needed to fulfill their responsibilities; and,
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

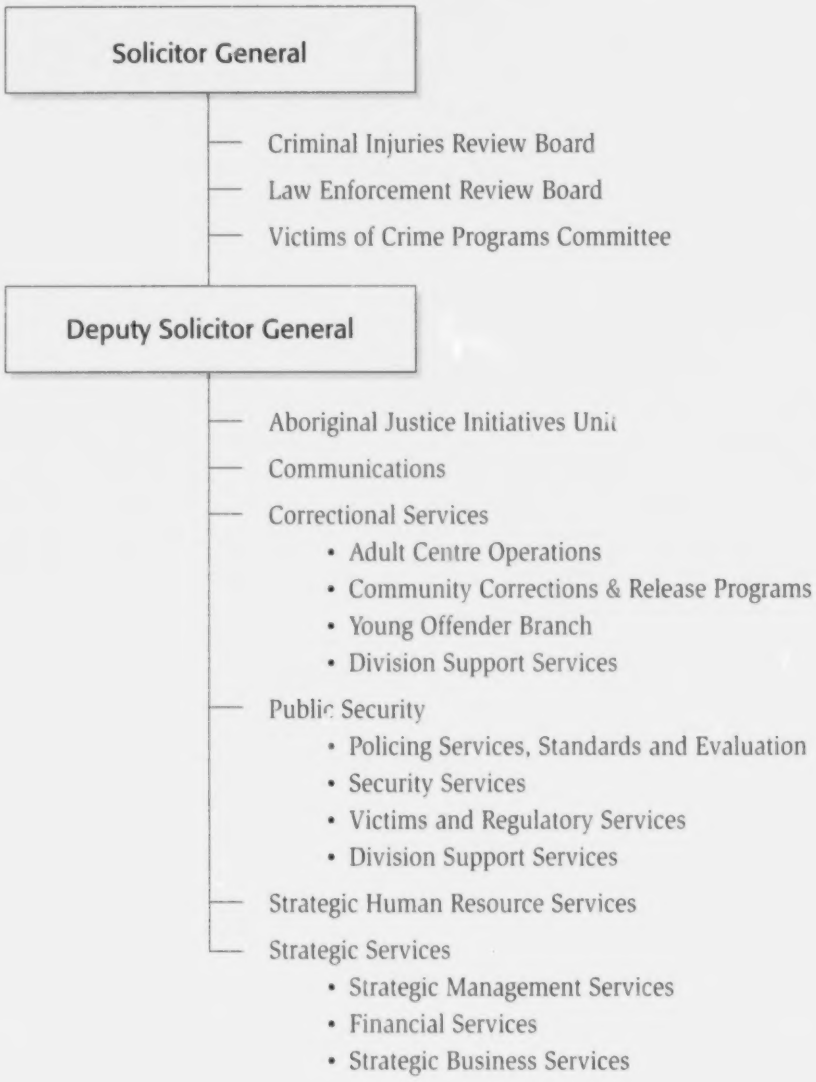
In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.



J.R. (Jim) Nichols
Deputy Solicitor General

September 8, 2004

Ministry Overview



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Boards, Agencies and Committees

CRIMINAL INJURIES REVIEW BOARD

The Criminal Injuries Review Board hears requests for reviews concerning the financial benefits paid to victims of crime under the *Victims of Crime Act*. The board may request persons with specialized knowledge to assist with the review and has the power to confirm or vary the decision made by the director. The board has six members, each appointed by Order in Council. One member of the board must be a physician.

Dr. Peter B. R. Allen, B.Sc, M.D. - Chair
Telephone: (780) 427-7330; Fax: (780) 427-7347

LAW ENFORCEMENT REVIEW BOARD

The Law Enforcement Review Board is an independent, quasi-judicial body established under the *Police Act*. The principal activity of the board is to hear appeals from citizens who have filed a complaint regarding the actions of a police officer and who are not satisfied with the disposition of their complaint. Police officers who have been the subject of discipline arising out of a complaint may also appeal to the board. The board also conducts hearings on appeals from private investigators or security guards who have had their licences refused, and from special constables regarding the cancellation of their appointments. The board has a minimum of three members who are appointed by the Lieutenant Governor in Council, with the chairman being an active member of the Law Society of Alberta.

Donna Shelley, Q.C. - Chair
Telephone: (780) 422-9376; Fax: (780) 422-4782

VICTIMS OF CRIME PROGRAMS COMMITTEE

The Victims of Crime Programs Committee is appointed by the Minister to make recommendations on grant applications, and to provide information with respect to programs and services that assist victims. The committee consists of four members representing government, police, and the community at large.

R. Smedstad - Chair
Telephone: (780) 427-3460; Fax: (780) 422-4213

Department of Solicitor General

ABORIGINAL JUSTICE INITIATIVES UNIT

The Aboriginal Justice Initiatives Unit (AJIU) provides support and strategic advice on Aboriginal justice issues to the deputy ministers and executive committees of Alberta Justice and Alberta Solicitor General. This includes work on the cross-ministry Aboriginal Policy Initiative, and the Alberta government's goal that, "The well-being and self-reliance of Aboriginal people will be comparable with that of other Albertans."

The AJIU liaises with First Nations and Metis authorities, and other key stakeholders, to encourage Aboriginal justice initiatives promoting safe communities, good relations between neighbours, and a better understanding of the justice system.

B. Shoush - Director
Telephone: (780) 422-2779; Fax: (780) 427-4670
E-mail Address: bronwyn.shoush@gov.ab.ca

COMMUNICATIONS BRANCH

As assigned from the Public Affairs Bureau, the Communications Division provides advice to the department and the minister on strategic communications, issues management and public relations.

P. Tadman - Director
Telephone: (780) 427-0900; Fax: (780) 427-0771
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CORRECTIONAL SERVICES DIVISION

The division is responsible for ensuring that correctional services are efficiently operated, and appropriate to the current and anticipated needs of the courts, and that they protect the community, hold offenders accountable through custody and supervision and work services, and provide offender rehabilitation opportunities.

Correctional Services Division administers pre-trial supervision, and community (e.g., probation) and custody sentences through a variety of community and custodial supervision programs for adult and young offenders. It can also supervise alternative sanctions that meet strict eligibility criteria, including adult alternative measures and young offender extrajudicial sanctions, including those administered by adult and youth justice committees.

During 2003/04, Correctional Services Division directly managed eight adult correctional centres and two attendance centres and contracted with an Aboriginal organization for the operation of one adult centre. Correctional facilities incarcerate offenders remanded into custody or sentenced to periods of custody up to two years less one day. In 2003/04, Alberta correctional centres had seven satellite minimum-security camps, two of which were managed by Aboriginal organizations.

The division also managed four young offender centres, two young offender attendance centres and one work camp. An additional camp program and four open custody group homes were operated by non-profit organizations under contract.

A. Galet - Assistant Deputy Minister
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PUBLIC SECURITY DIVISION

Public Security Division administers the *Police Act*, the *Private Investigators and Security Guards Act* and the *Victims of Crime Act*. The division is also responsible for implementation of the ministry's Serious and Violent Crime Strategy, the promotion of community-based crime prevention initiatives, police oversight and setting policing standards.

The division administers the Special Constable Program and the Provincial Police Service Agreement with Canada for the RCMP provincial police service. It also provides support for Aboriginal policing initiatives. In addition, the division provides financial benefits to victims of crime and provides funding for victims programs and services under the *Victims of Crime Act*.

Public Security Division provides court and prisoner, as well as legislature and executive security services, security consultation for provincial government buildings and maintains a 24-hour security control centre at Government Centre. The division also manages counter-terrorism security information and develops threat assessments.

R. Dunster - Assistant Deputy Minister
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STRATEGIC HUMAN RESOURCE SERVICES

Strategic Human Resource Services provides strategic direction and consultation in the areas of employee/labour relations, staffing, classification, organizational design and change, job evaluation, performance planning, training and development, employee programs, leadership capacity, Occupational Health and Safety, and health and wellness initiatives.

The division supports the achievement of cross-government and corporate human resource plans and strategies.

S. Perras, Executive Director
Telephone: (780) 427-9617; Fax: (780) 422-9639
E-mail Address: shirley.perras@gov.ab.ca

STRATEGIC SERVICES DIVISION

The Strategic Services Division provides strategic information, tools and processes to achieve the department's goals and enhance its effectiveness. The division provides professional services and strategic advice on matters related to cross government initiatives, business planning and performance measurement, financial management, accounting and reporting, information technology management and strategy and *Freedom of Information and Protection of Privacy* administrative, business resumption, and capital planning. The division also provides these strategic services to Alberta Justice.

D. Mercer – Assistant Deputy Minister
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Operational Overview

Alberta Solicitor General had five core business functions in 2003/04:

- *Policing:* Ensuring safe communities in Alberta by ensuring an adequate and effective level of policing.
- *Crime Prevention:* Ensuring safe communities in Alberta by developing and promoting crime prevention programs.
- *Security Services:* Ensuring safe communities in Alberta by providing security services to elected officials, the Lieutenant Governor, government personnel, the judiciary, and members of the public attending government functions or facilities. This includes a ministry-specific and government-wide counter-terrorism crisis management process to ensure the appropriate mechanisms are in place to identify and mitigate potential terrorist threats.
- *Victims Programs and Services:* Ensuring victims are treated with dignity and respect and that they receive information about programs and services, and assistance during the criminal justice process and that eligible victims promptly receive financial benefits.
- *Custody, Supervision and Rehabilitative Opportunities for Offenders:* Ensuring effective and efficient security and supervision of offenders that enhances public safety while offering offenders opportunities to become law-abiding citizens.

Safe communities are a shared responsibility. We work to develop and enhance partnerships necessary to achieve results in each of these core business functions. Additionally, we strive to improve public knowledge and understanding about policing, crime prevention, victims services and corrections through education and communication strategies.

Key Factors Influencing Performance

Environmental factors include: demographics, policing issues, Aboriginal justice issues, victims issues, implications of new legislation, terrorism and organized crime. These factors have imposed pressures on the administration of justice in a variety of ways.

Alberta's population is increasing faster than any other province, with inter-provincial migration being the primary source of growth. Inter-provincial migration and transient populations in turn have an impact on policing in our communities. In Alberta and Canada the population of senior citizens, which tends to report higher levels of fear for personal safety, is growing at a considerably faster rate than other sectors of the population. At the same time, Alberta has the youngest population among all Canadian provinces and youth generally tend to be over-represented as both offenders and as victims of crime.

The Aboriginal population is young and the fastest growing segment of the Alberta population. A large proportion of the Aboriginal population in Canada experiences socio-economic disadvantages in comparison to non-Aboriginal Canadians, which contributes to Aboriginal people coming into conflict with the law. Significant over-representation of Aboriginal people at all points in the justice system continues to be an issue. There is a need to develop innovative options for diversion, and most of all, to address the root causes of crime.

As identified in the 1999 Justice Summit, victims of crime want to have an increased role in all stages of the justice process. To this end, a province-wide victims consultation was undertaken. Efforts are being made to respond to the recommendations resulting from the consultation, which have the potential to improve services to victims and to increase their role in the criminal justice process.

Several significant legislative changes impact the ministry's programs and services. The *Youth Criminal Justice Act* came into force on April 1, 2003 replacing the *Young Offenders Act*. Amendments to the *Criminal Code of Canada* contain aggressive measures to fight organized crime and the Government of Canada has introduced a new package of anti-terrorism measures as part of its Anti-Terrorism Plan. The *Sex Offender Information Registration Act* and amendments to the *Criminal Code* require the province to be responsible for the overall administration of the registry.

Since September 11, 2001 there has been increased awareness of the potential for terrorist fundraising, planning, and for terrorist activity in Canada. Alberta has taken a very active role in counter terrorism planning to identify and mitigate potential terrorist threats.

Organized crime is evolving and expanding, finding its way into all forms of crime – including drug trafficking, prostitution, theft, fraud, human smuggling, cyber crime as well as gang activity and street crime. All Albertans are affected, both in the direct financial impact and the social costs for individuals and their families. The challenge for the ministry continues to be the development of new strategies to better respond to the progression of organized crime.

Highlights – Performance at a Glance

Goal	Measure	Target	Result
Ensure safe communities in Alberta	Public perception of safety in the home (pg 23)	75%	70% of Albertans feel "very safe" in their own homes.
	Public perception of safety in the neighbourhood (pg 24)	82%	79% of Albertans feel "very" to "somewhat" comfortable walking alone at night in their neighbourhood.
	Victimization rate (pg 25)	25%	25% of Albertans reported that they were victims of crime in the past year.
	Crime rate: violent crime and property crime (pg 26)	To have the lowest violent and property crime rates of the four western provinces	In 2003, Alberta's violent crime rate was 1,100 per one hundred thousand population and Alberta's property crime rate was 5,121 per one hundred thousand population. Alberta had the lowest violent and property crime rates of the four western provinces.
	Public satisfaction with policing (pg 27)	83%	82% of Albertans reported that they were satisfied with policing in the province.
Provide services to victims and ensure they have a more meaningful role in the criminal justice system	Satisfaction with services provided to applicants for victim financial benefits (pg 30)	4.00	Respondents indicated by an overall score of 3.99 out of five that they were satisfied with the various services they received.
	Access to victim service units (pg 31)	89%	96% of Alberta police services or RCMP detachments have or have access to a victim service unit.
	Number of victim service initiatives (pg 32)	220	In 2003/04, Alberta Solicitor General supported 230 victim service initiatives.
Facilitate the rehabilitation of offenders	Outcome of correctional sanctions: successful completion of young offender probation dispositions (pg 34)	62%	59% of young offender probation dispositions were successfully completed.
	Outcome of correctional sanctions: successful completion of adult offender probation dispositions (pg 35)	70%	63% of adult probation dispositions were successfully completed.
	Per cent of offenders involved in work, education, treatment or life management programs (pg 37)	80%	89% of offenders were involved in work, education, treatment and life management programs.
	Number of hours of community service (pg 38)	850,000	In 2003/04, offenders completed a total of 819,788 hours of community service work.

Goal	Measure	Target	Result
Ensure secure and efficient custody, community supervision and transportation of offenders	Successful completion of temporary absence supervision (pg 40)	No lower than 99%	99.9% of offenders successfully completed their temporary absence supervision.
	Per diem cost for housing adult offenders in a correctional facility (pg 41)	To be among the four jurisdictions that have the lowest cost per diem per offender in Canada	The per diem cost for housing an adult offender in a provincial correctional facility was $94.33. This is the lowest cost per diem per offender in Canada. *Note: The latest data available is for 2001/02.*
	Number of escape incidents from secure custody (pg 42)	0	In 2003/04, there were no escape incidents from secure custody or during transport.
	Successful transportation of prisoners to court (pg 43)	90%	100% of Security Operations transports were on time for court appearances.
Ensure the safety of Albertans through appropriate crisis management planning	Stakeholder satisfaction with services of the Security and Information Management Unit (pg 46)	New measure	87% of clients were "very" or "somewhat" satisfied with the information and services they received from the SIM unit.

Summary of Key Activities

Alberta Solicitor General spent 2003/04 reviewing and responding to recommendations from the MLA reviews of its core businesses: corrections, policing, and victims. At the same time there was a lot of emphasis on finding ways to protect Alberta communities from the threat of terrorism and the spread of methamphetamine.

Public consultations

Corrections review

- On March 30, 2004, the Alberta Solicitor General released the response to the Government MLA Corrections Review Report. The Government accepted 34 of the 38 recommendations within the report and is working towards implementing those recommendations.
- The Corrections Review was put together to examine Alberta's corrections programs to ensure they meet the needs of community and staff safety, and offender rehabilitation, while at the same time remaining cost-effective.

Policing review

- On March 26, 2004, the Alberta Solicitor General announced the acceptance in whole or part of 31 of the 35 recommendations within the Government MLA Policing Review Report.
- The review committee report was released in July 2002. A supplemental report was submitted to the Solicitor General in November 2002 following extensive consultations with police services, municipalities and other stakeholders.
- The department is working toward implementing the accepted recommendations.

Policing standards

- The policing standards were approved by government and the new policing standards manual was issued to all police services for implementation.

Victims of crime legislation, programs and services review

- The review of legislation, programs and services for victims of crime was kicked off in April 2002 with a province wide consultation. The purpose of the review was to develop a 10-year vision for victims' programs and services in Alberta, and provide a more meaningful role for victims in the criminal justice system.
- The report of the Government MLA review committee was submitted to the Solicitor General and will be released in the 2004/05 fiscal year.

Program initiatives

Alberta Counter-Terrorism Crisis Management Plan

- The Alberta Counter - Terrorism Crisis Management Plan (ACTCMP) was presented to the United States (US) based Regional Information Sharing System law enforcement group that represents all American States. The ACTCMP was also presented to partners in the Montana office of the US Attorney General, Montana law enforcement agencies and Montana industry representatives. These sessions solidified relations with Montana State and law enforcement partners, US federal partners and US industry partners to facilitate information sharing on terrorism and extremism issues.

Integrated Response to Organized Crime and Gang Enforcement Unit

- The province's fight against organized crime was strengthened with $3.5 million in funding. The funding was used to support the establishment of an Integrated Response to Organized Crime and Gang Enforcement Unit consisting of four teams to operate throughout the province, each with eight investigators and support staff.

Alberta Methamphetamine Working Group

- A cross-ministerial working group was initiated by the Solicitor General to develop a strategy to deal with the increase in methamphetamine use. The group including: Solicitor General, Children's Services, Environment, Agriculture, Health and Wellness, Justice, Municipal Affairs, law enforcement, the Alberta Alcohol and Drug Abuse Commission, and the College of Pharmacists is looking at what preventative steps can be taken with a coordinated approach to methamphetamine production and use.

Lethbridge/Coaldale Regional Policing Agreement

- In July 2003, a team of more than 30 experts in all aspects of police service operation, and representatives from the community and government began negotiations that led to the creation of a combined police service for the communities of Lethbridge and Coaldale.
- The agreement was officially approved by the Solicitor General on January 23, 2004, and is the first municipal regional police service in Alberta.

National Sex-Offender Registry

- Alberta Solicitor General reinforced the need for an effective national sex-offender registry. Representatives from Alberta Solicitor General and Alberta Justice appeared before the House of Commons Justice Committee in Ottawa to persuade the federal government to change the proposed registry to include offenders serving sentences at the time the legislation was proclaimed.
- In April 2004, the federal government passed legislation to establish a national sex offender registry that includes the changes Alberta was pushing for.

Special Constables

- The role of special constables on primary highways was re-defined. A new policy, effective June 1, 2003, set out mandatory requirements that provide special constables with limited enforcement authority on some primary highways, provided it is done consistent with the policies of the police service of jurisdiction and pursuant to an approved traffic safety plan.

Web site Redesign

- The Alberta Solicitor General/Alberta Justice web site was redesigned and launched in early March 2004. The site is designed to act as a single source of information on Alberta's justice system, while ensuring a more user-friendly web experience.

Legislative Change

Corrections Amendment Act

- Legislation amending the *Corrections Act* came into force on September 30, 2003. The *Corrections Amendment Act*, Bill 26, introduced random drug testing and holds offenders more accountable for their actions while they are incarcerated in provincially run correctional facilities.
- Highlights of the legislation include zero tolerance for drug use or possession, the possession or use of a weapon, and assaultive and gang related activity. The amendments also include loss of remission as a required consideration by correctional centre disciplinary boards, for serious infractions, in addition to any other penalty.
- It was also announced that corrections staff would be equipped with tasers to briefly immobilize aggressive or violent inmates. Training of staff is ongoing.
- Random searches with drug detection dogs was also brought in as another tool to find contraband and deter smuggling of illicit substances.

Results Analysis

Deputy Minister's Message

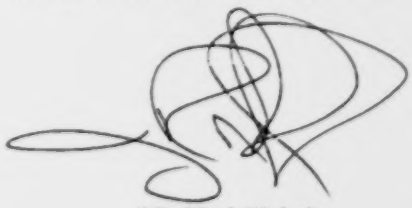
The Alberta Solicitor General supports the Government of Alberta's vision and goals through policing, crime prevention, security services, victim services and correctional services with the overarching goal of ensuring safe communities in Alberta. Our programs and services are focused on ensuring that Alberta communities remain safe places to live, work and raise families. The initiatives and results achieved over the past year are documented in this annual report and reflect the dedication and efforts of ministry staff.

New challenges have arisen in recent years, and the ministry has responded proactively to address them. We are enhancing our capacity to respond effectively to potential terrorist threats, as well as to emerging issues that impact the safety of our communities such as organized crime, serious and violent offenders, gang activity, and impaired driving.

In addressing our core business of policing, we established the Integrated Response to Organized Crime (IROC) and Gang Enforcement Team to enable police to make a concerted and lasting impact on organized crime and street gangs operating in Alberta. Alberta was also instrumental in pressuring the Federal government to bring in a National Sex Offender Registry. Alberta was the first province in Canada to implement an AMBER Alert Program to call on the public to help police locate children who are victims of child abductions.

Corrections is responsible for ensuring effective and efficient security and supervision of offenders that enhances public safety while offering offenders opportunities to become law-abiding citizens. Key accomplishments relating to this core business include implementation of the federal *Youth Criminal Justice Act* (YCJA), which became law on April 1, 2003. Also, the MLA Correctional Services Review Committee made recommendations that will help Alberta Solicitor General continue to provide cost effective programs that hold offenders accountable and promote safe communities. The Committee also reported that overall, correctional services in this province were cost effective and well managed. The performance measures in our 2003/04 annual report support this, as Alberta Correctional Services has continued to maintain the lowest adult custody cost per diem in Canada; had zero escapes from secure custody; and, the success rate of offenders released on the Temporary Absence Program was 99.9 per cent.

We have completed reviews of our major functions in corrections and policing, and we will be implementing the recommendations arising from those reviews. A Victims of Crime Consultation was undertaken in 2002 and the report of the Government MLA review committee, which was submitted to the Solicitor General, will be released in the 2004/05 fiscal year. While these reviews identified a number of opportunities for improvement, they also confirmed that Alberta is a leader in North America when it comes to delivering high quality, cost-effective services. We continue to work with our partners and stakeholders to improve the way we deliver services and to address the issues that are important to Albertans.



J.R. (Jim) Nichols
Deputy Solicitor General

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Key Performance Measures

To the Members of the Legislative Assembly

In connection with the Ministry of the Solicitor General's key performance measures included in the *2003-2004 Annual Report of the Ministry of the Solicitor General* I have:

1. Agreed information from an external organization to reports from the organization.

2. Agreed information from reports that originated from organizations included in the consolidated financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.

3. Checked that the presentation of results is consistent with the stated methodology.

4. Checked that the results presented are comparable to stated targets, and information presented in prior years.

5. Checked that the key measures, as well as targets, agree to and include results for all of the measures presented in Budget 2003.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the key performance measures included in the *2003-2004 Annual Report of the Ministry of the Solicitor General*.

FCA
Auditor General

Edmonton, Alberta
July 29, 2004

Goals, Strategic Accomplishments and Measures

GOAL ONE
Ensure safe communities in Alberta

Albertans tell us they want peaceful communities where they can live, work and raise families in safety and security without fear of crime or victimization. While each goal is important, virtually everything Alberta Solicitor General does is tested against the goal of safe communities.

The following section highlights the ministry's accomplishments related to the strategies identified under goal one in the 2003-06 business plan.

STRATEGIC ACCOMPLISHMENTS

- Alberta Solicitor General continued to provide administrative and technical support for the high-risk offender web site, which included building strong relationships with the Edmonton High Risk Offender Unit and similar units across the province. The department is also currently co-chairing, with Alberta Justice, the implementation committee for the National Sex-Offender Registry.
- Alberta Solicitor General continued to fund Criminal Intelligence Service Alberta (CISA) and monitored their Annual Reports. Ongoing contact was made with both CISA and Alberta Justice to ensure that the Organized and Serious Crime Strategy maintained momentum.
- An implementation plan was developed to address the accepted recommendations of the MLA Policing Review. Alberta Solicitor General announced the acceptance in whole or part of 31 of the 35 recommendations within the Government MLA Policing Review Report, and the plan puts these recommendations into effect. In addition, the policing strategy provides financial assistance to municipalities, enhances citizen oversight of police, and enhances provincial leadership in policing.
- The department worked with RCMP "K" Division on developing provincial policing priorities and the Three-Year Joint Business Plan. The RCMP provides the Minister with an annual report on the status of the implementation of the province's policing objectives, priorities and goals.
- Alberta Solicitor General continued to advocate for increased funding to enhance the department's support to the field of restorative justice. New funding has been allocated in 2004/05 to re-establish a grant fund to support community based restorative justice programs.
- With respect to the National Crime Prevention Strategy, the department continued to co-chair the Joint Management Committee (JMC) in administering the federal Community Mobilization Program (CMP) grant fund in Alberta. A total of $2,132,000 in CMP funding was provided to 55 community-based projects addressing the risk factors that lead to criminal behaviour.
- A new standardized Tripartite policing agreement was developed and implemented. Four First Nations police services are now receiving the benefits of this new tripartite policing agreement.

- Through a cross-ministry initiative involving Justice, Transportation and the police, the department created a three-year enforcement plan and a ten-year strategic plan to combat impaired driving from a multi stakeholder perspective. Transportation is tasked with seeking cross-ministerial co-operation to ensure a higher profile and dedicated resourcing.
- A report was completed and submitted for consideration regarding policing options for those First Nations where casinos are established.
- Alberta Solicitor General continued to monitor the AMBER Alert program and, in light of the recent activation of the system, has made recommendations to enhance the program.
- The department continued to administer a number of crime prevention programs pursuant to the Provincial Crime Prevention Strategy. New funding has been allocated in 2004/05 to support other components of the Strategy including community based crime prevention grant funding.
- In an effort to develop common strategic direction and integrated business processes and systems, funds were provided to Criminal Intelligence Service Alberta (CISA) to develop a system to integrate police intelligence files (APSNet).
- Revised supervision standards were piloted in three Community Corrections offices and a formal evaluation was completed with positive results. The Government MLA Review of Correctional Services recommended the revised standards be expanded provincially. Case Aid projects were also successfully piloted in Calgary and Edmonton and have now become established, permanent programs.
- The implementation of Alberta Policing Standards was part of the government's response to the MLA Policing Review Committee Report. The latest version of the policing standards manual was issued to all police services and police commissions in March 2004 for implementation. The manual will remain in draft until such time as the standards have been field tested and confirmed as appropriate.
- An agreement in principle was reached with Public Safety and Emergency Preparedness Canada for a new Agreement on Biology Casework Analysis to support the federal *DNA Identification Act*.
- A proposal for an integrated response to organized crime (IROC) and gangs was approved for provincial funding in the amount of $3.5 million in 2003/04. This is a joint initiative involving the RCMP and the Edmonton and Calgary police services. The IROC unit will target the criminal networks that pose the greatest risk to Alberta communities.

KEY MEASURE 1
Public Perception of Safety in the Home

Performance Summary
The majority of Albertans feel safe in their own home. Respondents with annual incomes over $60,000, rural respondents and those respondents with a university education felt safest. Those feeling somewhat less safe than others included victims of crime and those from households with an income of $20,000-$30,000 annually.

Key Measure

Public Perception of Safety in the Home	The results of the 2003/04 Alberta Justice and Alberta Solicitor General Public Opinion Survey indicate that 70 per cent of Albertans said they feel very safe in their own home. This is up from 69 per cent in 2003. This year's target was 75 per cent.

Discussion and Analysis
Safety in the home measures the public's perception of the ministry's success at achieving the goal of safe communities. To be contributing members of society, Albertans must feel safe and secure in their homes and communities.

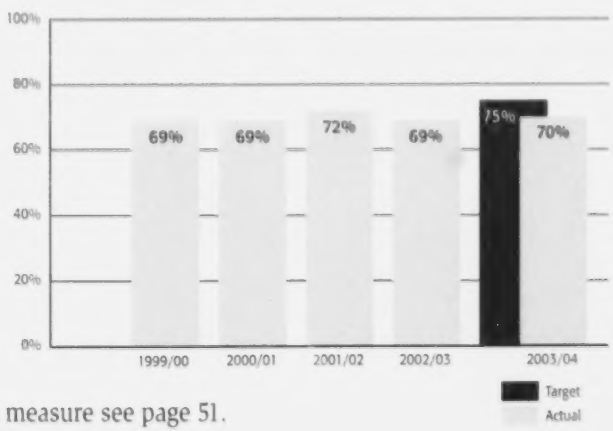
In addition to those respondents who indicated feeling very safe, 24 per cent indicated feeling somewhat safe in their own home. Although the 2003/04 result of 70 per cent feeling very safe does not meet this year's target, the result is generally in line with results of previous years.

Respondents were also asked how worried they felt about their safety from crime when alone in their home in the evening or at night. Most (71 per cent) said they were not at all worried.

In the Alberta Solicitor General 2004-07 business plan, public perception of safety in the home will be described as the percentage of Albertans who feel "not at all worried" about their safety from crime when alone in their own homes. This new question addresses fear of crime more directly. It is also comparable with a question asked in the national General Social Survey conducted by Statistics Canada, which allows for more comparability of Alberta results with other Canadian jurisdictions.

Public Perception of Safety in the Home

The percentage of Albertans who feel "very safe" in their own homes



Source:
Environics West 1999/00 – 2000/01
Research Innovations 2001/02 – 2003/04

For methodology related to this measure see page 51.

KEY MEASURE 2

Public Perception of Safety in the Neighbourhood

Performance Summary

Most Albertans feel comfortable walking alone at night in their neighbourhood. The respondents who felt the most comfortable were those living in rural areas, those respondents 45 to 64 years of age, those with a university education and those with incomes over $60,000. Respondents identifying lower comfort levels included those from households with under $20,000 annually, females and Albertans 65 years of age and older.

Key Measure

Public Perception of Safety in the Neighbourhood	The results of the 2003/04 Alberta Justice and Alberta Solicitor General Public Opinion Survey indicate that 79 per cent of Albertans said they are very (51 per cent) or somewhat (28 per cent) comfortable walking alone at night in their neighbourhood. Although this represents an increase from the 77 per cent achieved in 2002/03, it is below this year's target of 82 per cent.

Discussion and Analysis

Similar to safety in the home, safety in the neighbourhood measures the public's perception of the ministry's success at achieving our goal of safe communities.

Although the 2003/04 result of 79 per cent does not meet this year's target, the 2004 result exceeds last year's result and is generally in line with results of previous years.

In addition to being asked how comfortable they are walking alone at night in their neighbourhood, respondents were also asked how safe they feel walking in their area after dark. Seventy-six per cent of respondents reported feeling very or reasonably safe.

In the Alberta Solicitor General 2004-07 business plan, public perception of safety in the neighbourhood will be described as the percentage of Albertans who feel "reasonably safe" to "very safe" walking alone in their area after dark. This new question, which asks Albertans about their feelings of *safety*, is more appropriate for *Perception of Safety in the Neighbourhood* than the previously reported percentage of Albertans who felt comfortable walking alone at night in their neighbourhood. This question is also comparable with a question asked in the national General Social Survey conducted by Statistics Canada, which allows for more comparability of Alberta results with other Canadian jurisdictions.

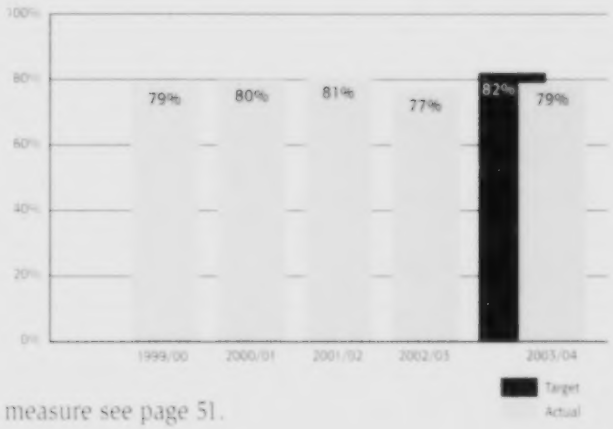
In 2003/04, 59 per cent of respondents indicated that they believe crime in their neighbourhood has decreased or remained the same. In addition, 84 per cent feel that the amount of crime in their neighbourhood is about the same or lower than in other areas of the province.

Public perception of safety is strongly influenced by media coverage of crime and current events.

Public Perception of Safety in the Neighbourhood

The percentage of Albertans who feel "somewhat comfortable" to "very comfortable" walking alone in their neighbourhoods at night

Source:
Environics West 1999/00 – 2000/01
Research Innovations 2001/02 – 2003/04



For methodology related to this measure see page 51.

KEY MEASURE 3

Victimization Rate

Performance Summary

When asked how many times they had been a victim of crime in the past year, 25 per cent of Albertans said they had been a victim at least once. Young adults 18 to 24 years of age, were the most likely to say they have been a victim of crime in the past year. Adults 65 years of age or older were least likely to say they have been a victim. Single people were more likely to have been a victim than others.

Key Measure

Victimization Rate	The results of the 2003/04 Alberta Justice and Alberta Solicitor General Public Opinion Survey indicate that 25 per cent of Albertans have been a victim at least once in the past year. This is consistent with last year's result and meets this year's target of 25 per cent.

Discussion and Analysis

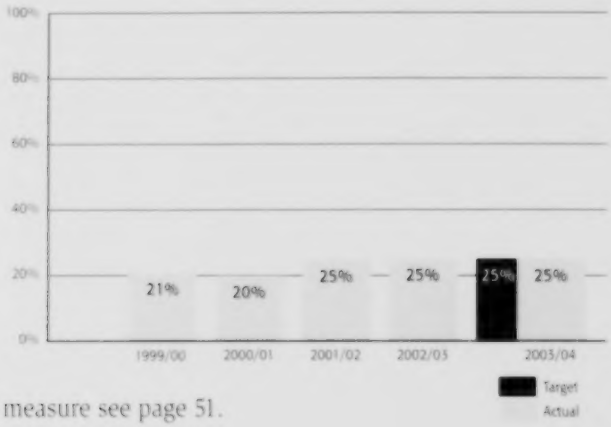
Victimization rate is a necessary partner to our crime rate measure because it captures both reported and unreported crime. One way to estimate the extent of unreported crime is through a victimization survey such as that conducted by Alberta Solicitor General.

In 1999/00, 21 per cent of respondents said they had been a victim of one or more crimes and in 2001, 20 per cent said they had been a victim. In 2002, the victimization rate rose to 25 per cent and remained constant at that figure in 2003 and 2004. Much of this increase could be attributed to differences in the samples of Albertans who participated in the surveys, rather than to an actual increase in crime victimization.

In 2002, 2003 and again in 2004, quotas were established based on Statistics Canada census data to ensure that the final sample was representative by region and, within each region, by gender and age. In the previous surveys, quotas were not set for age. As a consequence, the 2002, 2003 and 2004 survey samples had higher proportions of respondents who were 18 to 34 years of age compared to 2000 and 2001. As younger adults are more likely to be victimized, their increased representation in the 2002, 2003 and 2004 samples may explain much of the increase in the overall victimization rate.

Victimization Rate

The percentage of Albertans who have reported being a victim of crime in the past year



Source:
Environics West 1999/00 – 2000/01
Research innovations 2001/02 – 2003/04

For methodology related to this measure see page 51.

KEY MEASURE 4

Crime Rate: Violent Crime and Property Crime

Performance Summary

Alberta's violent and property crime rates remained the lowest of the four western provinces in 2003.

Key Measure

Crime Rate: Violent Crime and Property Crime

In 2003, Alberta's violent crime rate was 1,100 per one hundred thousand population. While this represents an increase of 2.0 per cent from 2002, it meets this year's target, to have the lowest violent crime rate of the four western provinces.

In 2003, Alberta's property crime rate was 5,121 per one hundred thousand population. It meets this year's target, to have the lowest property crime rate of the four western provinces; however, represents an increase of 9.5 per cent from the 2002 rate.

Discussion and Analysis

Unlike victimization, which measures both reported and unreported crime; crime rate is the official measure of police-reported crime. The ministry acknowledges the public's expectations of the department in reducing crime rate, even though there are many factors that contribute to the outcome of this measure that are beyond the ministry's control, such as those related to education, demographics and economic conditions.

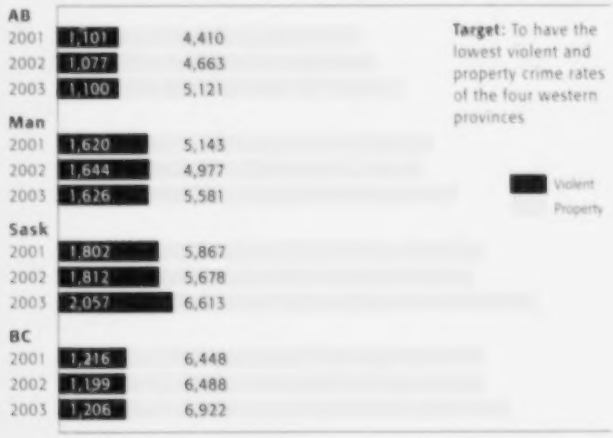
Although the provincial violent crime and property crime rates increased, Alberta had the lowest violent and property crime rates of the four western provinces in 2003. The 2.0 per cent increase in the rate of violent crime was driven by an increase in the rate of robberies and assaults. The 9.5 per cent increase in property crime was driven by an increase in the rate of motor vehicle theft and break-ins.

In 2003, the national crime rate increased by six per cent. This represents the first substantial increase in over a decade. The rise in crime was driven by a large increase in a number of "Other Criminal Code" offences (i.e. incidents that are classified as neither property crimes nor violent crimes) including an increase in counterfeiting, disturbing the peace, and mischief. In addition, increases in property crimes such as the rate of thefts under $5,000, motor vehicle thefts, and break-ins also contributed to the overall increase in crime. Crime rates generally also increased in the other western provinces: British Columbia, Saskatchewan and Manitoba.

In western Canada, crime rates are lowest in Alberta. One possible explanation for this is the strong Alberta economy. Unemployment, measures of poverty, and income inequality are frequently cited as risk factors of criminal activity. Alberta has the highest participation rate in the labour force of the four western provinces.

Crime Rate: Violent Crime and Property Crime

The rates (per 100,000 population) of violent and property crime as reported by police.



Source:
Canadian Centre for Justice Statistics, Crime Statistics in Canada 2001-2003

For methodology related to this measure see page 51.

KEY MEASURE 5

Public Satisfaction with Policing

Performance Summary

The majority of Albertans are satisfied with policing in Alberta. The respondents who felt most satisfied were those aged 65 or older, those with a university education, respondents from smaller cities and those respondents from households with $40,000-$60,000 annually. Satisfaction was generally lower among victims of crime.

Key Measure

Public Satisfaction with Policing	The results of the 2003/04 Alberta Justice and Alberta Solicitor General Public Opinion Survey indicate that 82 per cent of Albertans are satisfied with policing. Although this year's result is just slightly below the target of 83 per cent, the 2004 result represents an increase from the 77 per cent achieved in 2003.

Discussion and Analysis

Another measure to assess the ministry's success at promoting safe communities in Alberta is the satisfaction Albertans have with policing in the province. Policing, an important core business function, plays a key role in achieving the goal of safe communities. Policing issues are of great interest to taxpayers and the public, and are an important priority for the ministry.

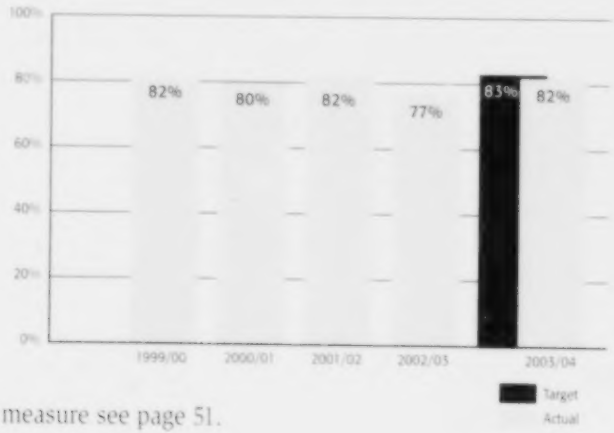
Public confidence in the ministry and provincial policing services is affected by fear of crime and experience with victimization. Public perception of policing services is also strongly influenced by media coverage of crime and current events.

In addition to being asked how satisfied they are with policing in Alberta, respondents were asked how much confidence they have in how well policing services are delivered in the province. Eighty-four per cent of respondents indicated that they have a lot of confidence or some confidence in how well policing services are delivered.

Respondents were asked to rate how well their local police service was doing in providing various services (being approachable and easy to talk to, ensuring the safety of citizens of the area, enforcing the laws, promptly responding to calls, supplying information to the public on ways to reduce crime). Most Albertans were positive about their local police service. Only a small minority of respondents (7 per cent to 14 per cent) gave their local police service a poor rating on each of the various services.

Public Satisfaction with Policing

The percentage of Albertans who feel "somewhat satisfied" to "very satisfied" with policing in Alberta



Source:
Enforcing West 1999/00 – 2000/01
Research Innovations 2001/02 – 2003/04

For methodology related to this measure see page 51.

GOAL TWO
Provide services to victims and ensure they have a more meaningful role in the criminal justice system

Recognizing the needs of the victim in the criminal justice system helps restore the balance of society in a humane and fair way, and is an important goal of our justice system. Alberta Solicitor General is committed to providing effective services to victims of crime and expanding the role of the victim in the criminal justice system.

The following section highlights the ministry's accomplishments related to the strategies identified under goal two in the 2003-06 business plan.

STRATEGIC ACCOMPLISHMENTS

- A plan was completed that outlines the impact of the recommendations in the *Report of the Alberta Victims of Crime Consultation* and also presents proposed strategies to respond to those recommendations. This plan will be released in the 2004/05 fiscal year.
- Grants totaling $1,965,000 were allocated to victims programs/projects in 2003/04. Four new programs were approved for funding: Blood Tribe Victim Services Unit, Fort Macleod & District Victim Services Association, Mackenzie Regional Community Policing Society and Tsuu T'ina Nation Band-Stoney Corrections Society.
- Revised Victim Impact Statement procedures were developed and distributed to police services, correctional services, crown prosecutors, court services, victim service units and community agencies for implementation. Revised guidelines and program materials are currently being developed and will be distributed at a later date.
- Alberta Solicitor General continued to work to assist funded community groups to better evaluate their victims' programs. The ongoing monitoring of grant agreements, program outcomes and submission of quarterly report statistics is continuing. Victim services unit program activity statistics are now forwarded to RCMP 'K' Division for comparison to detachment crime reporting. Site visits were conducted on 20 police-based and community programs across the province.
- The *Victims of Crime Regulation* took effect April 1, 2004. It consolidates the former *Victims' Benefits Regulation* and *Victims' Programs Regulation* as well as incorporates changes relative to the *Victims of Crime Amendment Act*.
- A new Financial Benefits Program database was established to reflect changes to the *Victims of Crime Amendment Act*. The Victims Assistance Status Tracking (VAST) database was designed to accommodate the requirements of and is being implemented with the *Victims of Crime Regulation*.
- Fifty-five participants including representatives of Aboriginal, community and police-based programs as well as criminal justice staff attended victim assistance co-ordinator training. Participants gave the training 4.13 out of 5 on a satisfaction scale. Several training sessions were delivered across the province to volunteer advocates, coordinators and police members. A victim awareness training session was also conducted at probation officer training.

- Information about legislation, programs and services for victims was made available on the Solicitor General web site and program materials can be ordered on-line. Victim Assistance Training is offered annually and was provided on-site to communities upon request. The Victims Programs Status Report, which is published annually, was distributed to police, victim service organizations, criminal justice staff and the judiciary.

KEY MEASURE 1

Satisfaction with Services Provided to Applicants for Victim Financial Benefits

Performance Summary

The majority of applicants for Victim Financial Benefits are satisfied with the services received within the justice system.

Key Measure

Satisfaction with Services Provided to Applicants for Victim Financial Benefits	In 2003/04, Financial Benefits Program applicants reported, by an overall score of 3.99 out of five, that they were satisfied with various services they received. This result is down 0.05 from 4.04 last year and falls short of the target for 2003/04 by a mere 0.01.

Discussion and Analysis

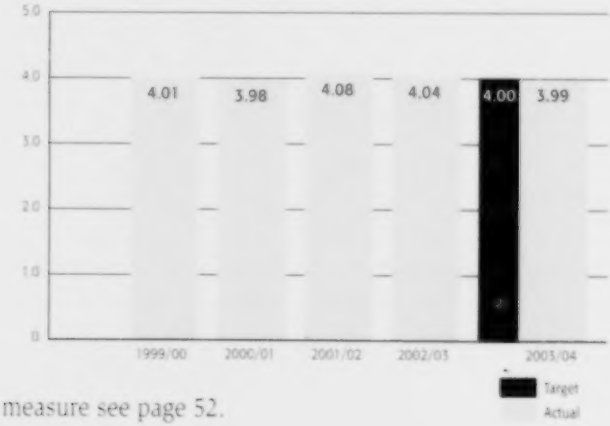
The *Victims of Crime Act* provides for financial benefits to be paid to eligible individuals who have incurred physical or emotional injury as a result of violent crime in Alberta. Those injured during a crime may be eligible for a one-time financial benefit based on the severity of injuries sustained. This program does not cover property damage or loss due to crime. When the crime results in death, dependants of the victim may be eligible for financial benefits. Likewise, a legal guardian may apply on behalf of minors or dependent adults.

Those applying for financial benefits are asked to rate matters such as the helpfulness of their referring agency and the helpfulness of the overall service provided to them in the justice system. The majority of applicants who have suffered injury as a result of a crime are satisfied with the services they receive.

Satisfaction with Services Provided to Applicants for Victim Financial Benefits

Satisfaction rate (based on a five-point rating scale, with five being the highest) with services provided to applicants for victim financial benefits

Source: Public Security Division



For methodology related to this measure see page 52.

KEY MEASURE 2

Access to Victim Service Units

Performance Summary

The majority of Alberta police services or RCMP detachments have or have access to a victim service unit.

Key Measure

Access to Victim Service Units	In 2003/04, 96 per cent of Alberta police services or RCMP detachments have or have access to a victim service unit. This result represents an increase from the 94 per cent achieved in 2002/03 and exceeds this year's target of 89 per cent.

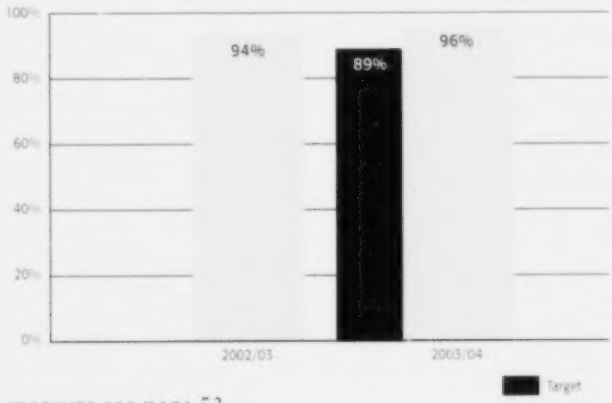
Discussion and Analysis

Groups and organizations that are supported by their community to provide programs and services that benefit victims of crime during their involvement with the criminal justice process are eligible to apply for funding from the ministry. Priority funding is given to police-based volunteer programs. A network of victim service units has been established to follow-up the initial police response and provide assistance to victims as their cases proceed through the criminal justice system.

Opportunities for expansion of victim service units still exist in more rural areas of the province.

Access to Victim Service Units

Percentage of Alberta police services or RCMP detachments that have, or have access to, a victim service unit



Source: *Public Security Division*

For methodology related to this measure see page 52.

KEY MEASURE 3

Number of Victim Service Initiatives

Performance Summary

In 2003/04, Alberta Solicitor General increased its support for victim service initiatives.

Key Measure

Number of Victim Service Initiatives	In 2003/04, Alberta Solicitor General supported 230 victim service initiatives. This is up from 218 victim service initiatives supported in 2002/03 and exceeds this year's target of 220.

Discussion and Analysis

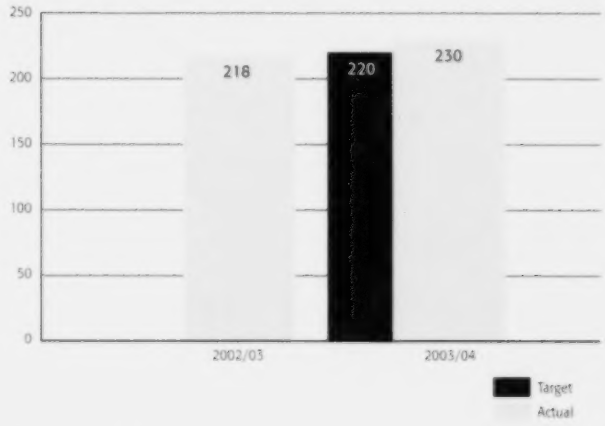
This measure reflects only those initiatives specifically providing services to victims of crime. Services provided to victims can include intervention and support, information about their case and criminal justice proceedings, information about medical, legal and social services that can help, referrals to other community agencies, and courtroom orientation and accompaniment. These programs also provide victims of crime with information and assistance in completing victim impact statements, requesting restitution and applying for financial benefits. Police based programs provide a continuum of services to victims from the time of first response by police to the disposition of the case by the courts, and provide services in accordance with provincial guidelines.

The type of assistance most frequently provided is information. Intervention, which includes crisis response, notification of next of kin or practical assistance at a crime scene, is the second most common type of assistance provided, followed by referrals to other agencies. Courtroom support is provided somewhat less often.

Number of Victim Service Initiatives

The number of victim service initiatives supported by Solicitor General includes: Victim Service Units and Programs; Youth Justice Committees; Alternative Measures Programs, Financial Benefits Program, Victim Impact Statement Program, and Victim Restitution Program

Source: Public Security Division



For methodology related to this measure see page 52.

GOAL THREE
Facilitate the rehabilitation of offenders

When an individual engages in criminal activity, it is in the best interest of all Albertans that the individual be held accountable and encouraged to become a law-abiding member of society. While the onus for change rests with the offender, it is believed that change can be facilitated by providing these individuals with assistance and opportunities that promote positive and productive behaviour.

The following section highlights the ministry's accomplishments related to the strategies identified under goal three in the 2003-06 business plan.

STRATEGIC ACCOMPLISHMENTS

- Alberta Solicitor General has been working to expand the youth justice committee program to eligible communities including Aboriginal communities. There were 106 sanctioned youth justice committees in the province operating during the year. More than 25 of these focused on specific Aboriginal communities. This program received a gold Premier's Award of Excellence in June 2003.
- Alberta Solicitor General has participated in committee work to review the Alternative Measures Program for adults and its expansion. The committee is in the process of identifying offences appropriate for inclusion in the Alternative Measures Program.
- By using youth justice committees, youth attendance centres in Calgary and Edmonton, community transition workers and other cross-ministry programs and services, the Solicitor General has continued to emphasize the diversion of appropriate youth from custody. For those in custody at the Calgary and Edmonton Young Offender Centres, the mental health units of those centres have been resourced and are better equipped to respond to youth with psychiatric and psychological problems.
- Solicitor General partnerships have led to a pilot program providing transition services for youth in group homes experiencing mental health and addictions difficulties. An overall emphasis on the provision of transition programming for youth moving from custody to community environments has increased the percentage of youths accessing such programs from 45 per cent in 2002 to 63 per cent in 2003. Solicitor General developed its own provincial process for the Intensive Rehabilitation Custody and Supervision Sentence pursuant to the *Youth Criminal Justice Act* and this process has been wholly adopted by another western province.
- Offenders under the supervision of Solicitor General staff contributed 819,788 hours of community service. The department continues to emphasize this aspect of its programming despite a decline in minimum security offenders in custody, more Albertans choosing to pay their fines, and the effectiveness of the Fine Collection Unit of Alberta Justice.

- Solicitor General continued to work with the Threat Assessment Committee, which is examining ways to integrate and enhance existing services to address domestic violence. The department chairs the Police Advisory Committee on Family Violence and is, among other things, drafting standardized provincial policies and definitions and arranging police training on the topic of family violence.
- Discussions have taken place with representatives of the four First Nations at Hobbema and with representatives from Saddle Lake regarding the potential for transferring the management of Community Corrections programming. There were also consultations with band representatives regarding the appointment of a probation officer for the Hobbema area.
- The Alberta Solicitor General currently employs several Aboriginal Program Coordinators and Elders to provide culturally relevant programs and services to Aboriginal offenders serving custodial sentences or remanded to custody in adult and young offender correctional centres across Alberta. In 2003/04, over 650 Aboriginal cultural and spiritual programs and initiatives were provided at adult and young offender centres across the province.
- In cooperation with Aboriginal and justice stakeholders, an evaluation report on the Alexis court model was drafted, which contained a number of recommendations. Some of the recommendations were addressed in a subsequent consultation with a contracted Community Corrections service provider, while the Alexis Evaluation Working Committee will consider the others.
- The *Corrections Amendment Act, 2003* came into force on September 30, 2003. This legislation provided for holding offenders more accountable for their behaviour through such initiatives as expanding the drug testing program to include testing offenders on a random basis; and, zero tolerance respecting the misconduct of offenders who are aggressive towards staff, caught with drugs, or involved in gang related activity.

KEY MEASURE 1

Outcome of Correctional Sanctions: Successful Completion of Young Offender Probation Dispositions

Performance Summary

The percentage of successful completion of young offender probation dispositions remained almost unchanged from the 2002/03 fiscal year.

Key Measure

Outcome of Correctional Sanctions: Successful Completion of Young Offender Probation Dispositions	In 2003/04, the successful completion of young offender probation dispositions was 59 per cent. This is almost unchanged from the 60 per cent reported in last year's annual report and slightly below this year's target of 62 per cent.

Discussion and Analysis

This measures the successful completion of a period of supervision in the community by youth as ordered by the courts under conditions prescribed in a probation order.

Review of the percentage of successful completion of young offender probation dispositions allows the ministry to enhance efficiency of correctional services and assess the effectiveness of correctional programming offered in a community setting.

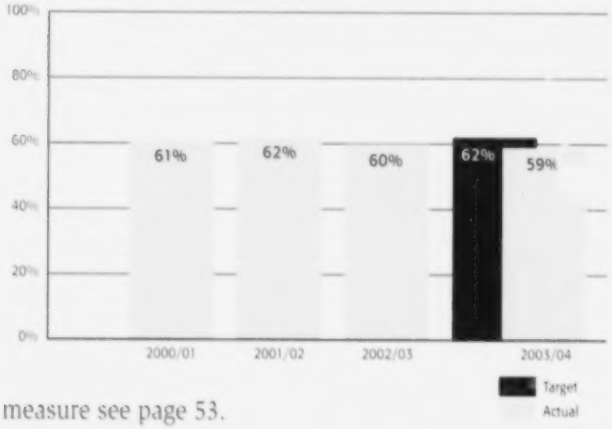
A successful probation disposition termination is one where the offender responds well to correctional supervision and does not lapse into further criminal behaviour while subject to correctional intervention.

While the ministry works towards high compliance by offenders with court orders, history shows that a number of influences upon an offender's behaviour during the period he or she is under supervision can impact the actual rate of compliance. It is important to note that the courts select those offenders to be supervised in the community under probation dispositions; the role of community corrections is to enforce the orders or report non-compliance.

Outcome of Correctional Sanctions: Successful Completion of Young Offender Probation Dispositions

The percentage of supervision cases that were successfully completed

Source: *Correctional Services Division*



For methodology related to this measure see page 53.

KEY MEASURE 2

Outcome of Correctional Sanctions: Successful Completion of Adult Offender Probation Dispositions

Performance Summary

The percentage of successful completion of adult offender probation dispositions in the 2003/04 fiscal year was less than in the preceding fiscal year.

Key Measure

Outcome of Correctional Sanctions: Successful Completion of Adult Offender Probation Dispositions	In 2003/04, the successful completion of adult offender probation dispositions was 63 per cent. This represents a decline from the 66 per cent achieved in 2002/03. The target for this measure was 70 per cent.

Discussion and Analysis

The percentage of supervision cases that were successfully completed measures the successful completion of a period of supervision in the community by adults as ordered by the courts under conditions prescribed in a probation order.

Review of the percentage of successful completion of adult probation dispositions allows the ministry to enhance efficiency of correctional services and assess the effectiveness of correctional programming offered in a community setting.

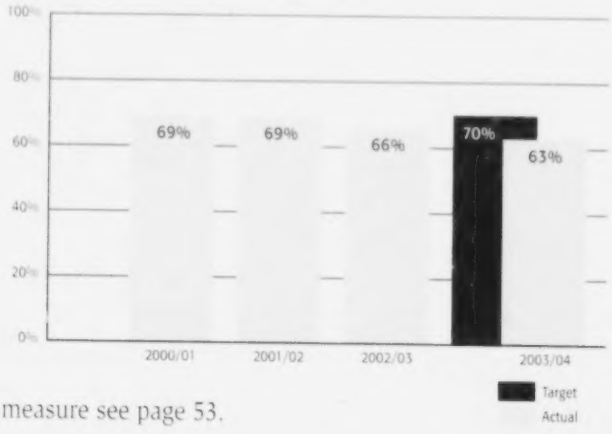
A successful probation disposition termination is one where the offender responds well to correctional supervision and does not lapse into further criminal behaviour while subject to correctional intervention.

Anecdotal evidence suggests offenders placed on probation in 2003/04 were more problematic than in previous years, however Alberta Solicitor General is only now in a position to gather appropriate data in this area. The situation is being monitored, and as more information becomes available, the ministry will be better able to determine if existing trends can be expected to continue and to identify steps that can be taken to improve performance. This year's result was also influenced by a policy change relating to closure of adult probation cases. The policy was changed to better align with the requirement that an offender not lapse into further criminal behaviour while subject to correctional supervision and to make it more consistent with that used for young offenders.

While the ministry works towards high compliance by offenders with court orders, history shows that a number of influences upon an offender's behaviour during the period he or she is under supervision can impact the actual rate of compliance. It is important to note that the courts select those offenders to be supervised in the community under probation dispositions; the role of community corrections is to enforce the orders or report non-compliance.

Outcome of Correctional Sanctions: Successful Completion of Adult Offender Probation Dispositions

The percentage of supervision cases that were successfully completed



Source: *Correctional Services Division*

For methodology related to this measure see page 53.

KEY MEASURE 3

Per Cent of Offenders Involved in Work, Education, Treatment or Life Management Programs

Performance Summary

The percentage of offenders involved in work, education, treatment or life management programs increased in the 2003/04 fiscal year.

Key Measure

Per Cent of Offenders Involved in Work, Education, Treatment or Life Management Programs	In 2003/04, an average of 89 per cent of offenders were involved in work, education, treatment or life management programs. This surpasses last year's result of 84 per cent and this year's target of 80 per cent.

Discussion and Analysis

This measure reflects the percentage of sentenced adult offenders and sentenced and remanded young offenders involved in work, education and life management programs. These activities are important in preparing offenders for successful integration into the community.

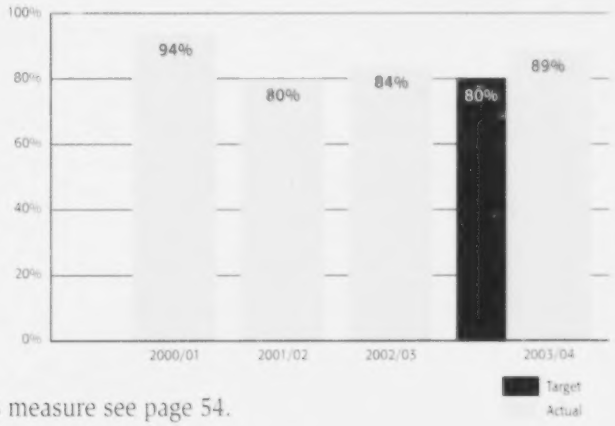
Sentenced adult and sentenced and remanded young offenders in custody are held in adult correctional centres (63 per cent), remand centres (23 per cent), and young offender centres (14 per cent). A very small number of young offenders serve their sentences at group homes.

Generally, the percentage of offenders involved in work, education, treatment, and life management programs is highest at adult correctional centres and young offender centres. Some adult offenders at remand centres are awaiting transfer to other facilities following sentencing and do not participate in programs until they reach their destinations.

The ministry was able to exceed the business plan target despite continuing declines in the number of young offenders and adult minimum security offenders who can work on community service projects outside a correctional centre.

Per Cent of Offenders Involved in Work, Education, Treatment or Life Management Programs

The percentage of incarcerated offenders involved in provincial work, education and life management programs



Source: *Correctional Services Division*

For methodology related to this measure see page 54.

KEY MEASURE 4

Number of Hours of Community Service

Performance Summary

In 2003/04, the number of hours of community service performed by offenders in custody was down slightly from the results achieved in the previous year.

Key Measure

Number of Hours of Community Service	During the fiscal year, adult and young offenders completed a total of 819,788 hours of community service work. This is down somewhat from 827,899 hours in 2002/03. This year's target was 850,000 hours of community service work.

Discussion and Analysis

Community service work is a program that provides offenders with an opportunity to contribute to their communities and to learn positive work habits. Projects are completed for non-profit organizations, community groups, municipalities and provincial government.

The number of community service work hours completed by offenders during the fiscal year is approximately 1 per cent lower than the number of community service work hours completed during the previous fiscal year.

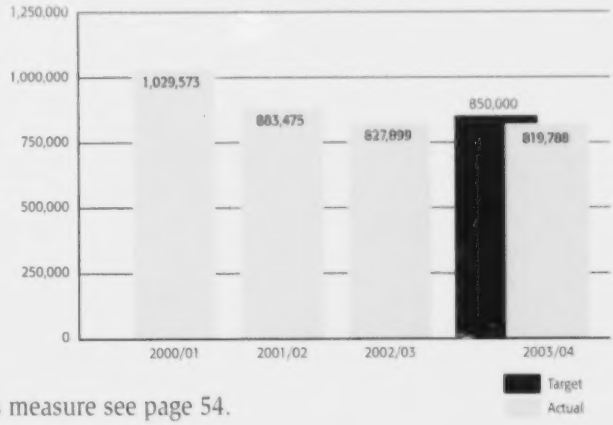
Due to the risks involved, only minimum-security offenders at adult centres can work on community service projects outside the centres and in work camps. The number of minimum security offenders declined about 11 per cent from 2002/03 to 2003/04.

Economic factors can play a significant factor in the number of community service work hours performed by offenders. This is because offenders may do community service work in lieu of paying fines. When economic conditions are good, offenders are more likely to pay fines.

Other factors include fewer adult minimum-security offenders, a declining young offender population, and successful operation of the Alberta Justice Fine Collection Unit.

Number of Hours of Community Service

The number of hours of community service performed by offenders in custody who are housed in centres, camps and group homes, and by offenders serving their sentences in the community



Source: *Correctional Services Division*

For methodology related to this measure see page 54.

GOAL FOUR
Ensure secure and efficient custody, community supervision and transportation of Offenders

The provision of effective and efficient security, supervision and transportation of offenders is an essential component of ensuring Albertans' safety.

The following section highlights the ministry's accomplishments related to the strategies identified under goal four in the 2003-06 business plan.

STRATEGIC ACCOMPLISHMENTS

- The Government MLA Review of Correctional Services Report was publicly released on March 30, 2004. The Government accepted 34 of the 38 recommendations.
- Alberta Solicitor General continued to ensure that offenders held at secure adult and young offender centres remained until their lawful release date. In 2003/04 there were zero escapes from secure provincial custody facilities.
- The ministry continues to work with partners and stakeholders in the development of a province-wide multi-user radio system in order to improve wireless communication for law enforcement and emergency response agencies.
- Alberta Solicitor General continued to provide safe custody and transportation of adult and young offenders between courts and adult correctional and young offender centres. The ministry experienced no escapes of offenders from secure custody and transportation.
- All Provincial Protection Officers have completed basic and advanced training. This training enables them to carry out their security, custody and escort functions as required by applicable legislation and regulations.
- Refinements to the Youth Attendance Centre Program were successfully piloted. The Government MLA Review of Correctional Services Report recommended making the programs of the Youth Attendance Centres in Edmonton and Calgary permanent. In addition, the Alternative Measures Program for young offenders was renamed the Extrajudicial Sanctions Program pursuant to the *Youth Criminal Justice Act* which was proclaimed on April 1, 2003. This program is fully operational across Alberta.
- Security Services, on behalf of the Solicitor General, continued to work with Justice, Infrastructure and the Judiciary on development and initial implementation of a perimeter security plan for the courts.
- A pilot project continues for first appearances from the Edmonton Remand and Calgary Young Offender centres to appear by video at the following courts; Stony Plain, Westaskiwin, Camrose, Bonnyville, St Paul, Cold Lake and Calgary Youth Court. An evaluation will be conducted, and dependant on that and approval of new resources, the program may be expanded to other correctional facilities and court locations.

KEY MEASURE 1

Successful Completion of Temporary Absence Supervision

Performance Summary

The percentage of offenders successfully completing temporary absence supervision remained consistently high throughout the 2003/04 fiscal year, never falling below the target.

Key Measure

Successful Completion of Temporary Absence Supervision	During the 2003/04 fiscal year, the successful completion of temporary absence supervision was 99.9 per cent. The result achieved is almost identical to that achieved during the preceding three fiscal years. This year's target, to be no lower than 99 per cent, was met.

Discussion and Analysis

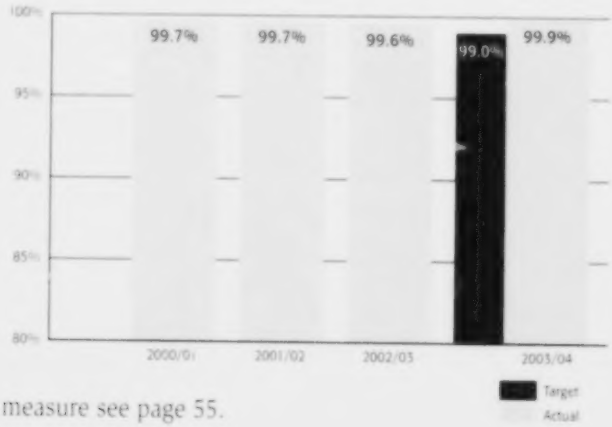
This measure reflects the percentage of offenders on temporary absence who do not incur a new charge while under supervision in the community as part of their sentences. The temporary absence program allows for the release, under supervision, of selected low-risk offenders, including intermittent sentenced offenders and fine defaulters. Offenders released under the temporary absence program are involved in work, rehabilitative programs, or community service work.

Successful completion of the temporary absence program indicates these offenders are satisfactorily managed in the community while they are involved in constructive activities there, and reflects the accuracy of the release decision.

In part, this measure assesses the ability of decision makers to make a correct determination of the offender's ability to remain in the community without becoming involved with further criminal activity for the duration of the sentence.

Successful Completion of Temporary Absence Supervision

The percentage of offenders on temporary absence who do not incur a new criminal charge while under supervision



Source: Correctional Services Division

For methodology related to this measure see page 55.

KEY MEASURE 2

Per Diem Cost for Housing Adult Offenders in a Correctional Facility

Performance Summary

In 2001/02, the latest year for which data is available, Alberta had the lowest cost per diem for housing adult offenders in Canada.

Key Measure

Per Diem Cost for Housing Adult Offenders in a Correctional Facility	In 2001/02, the per diem cost for housing an adult offender in a provincial correctional facility was $94.33. This was the lowest cost per diem per offender in Canada. The target was to be among the four jurisdictions that have the lowest cost per diem per offender in Canada.

Discussion and Analysis

The people of Alberta are best served when correctional services promote safe and secure communities and are provided in an efficient and cost effective manner. Being one of the lowest per diem cost jurisdictions in Canada indicates the ministry is managing adult correctional centres in a cost effective manner. As well, the MLA Correctional Services Review Committee reported that, overall, correctional services in Alberta were both cost effective and well-managed.

In 2001/02, the latest year for which data is available, Alberta had a lower cost per diem for housing adult offenders than all other jurisdictions. The next lowest cost jurisdiction was Nova Scotia, with a per diem cost of $107.34. The other two lowest cost jurisdictions were New Brunswick at $108.55 per offender and Nunavut at $115.93 per offender.

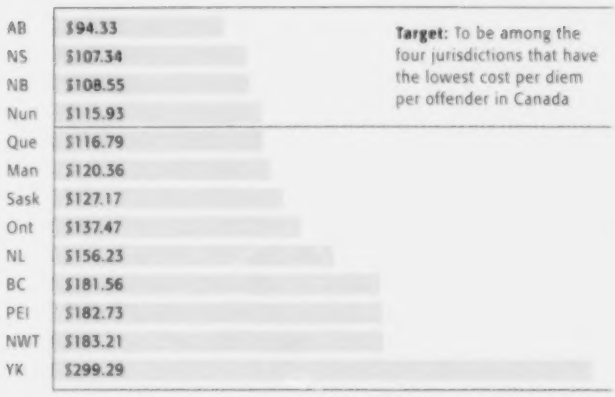
The per diem cost per offender is directly proportional to the number and cost of staff required to run provincial correctional facilities and inversely proportional to the number of offenders in custody. Other costs such as food, medical services and programming also play a factor in the cost of housing offenders.

Correctional Services has no control over the number of offenders remanded or sentenced to custody, as these are decisions of the court. When the number of offenders ordered held in custody declines, the average daily cost per offender can be expected to rise.

The results of negotiated settlements directly affect the manpower costs incurred to operate correctional centres. Also, the impact of absenteeism results in significant additional wage and overtime costs to meet operational requirements.

Per Diem Cost for Housing Adult Offenders in a Correctional Facility

The average cost per day to house one adult inmate in a correctional facility



Source: *Adult Correctional Services in Canada 2001/02, Canadian Centre for Justice Statistics*

For methodology related to this measure see page 55.

KEY MEASURE 3

Number of Escape Incidents from Secure Custody

Performance Summary

This year's result is in line with the target: there were no escapes from secure custody.

Key Measure

Number of Escape Incidents from Secure Custody	In 2003/04, there were no escape incidents from secure custody or during transport, achieving the target.

Discussion and Analysis

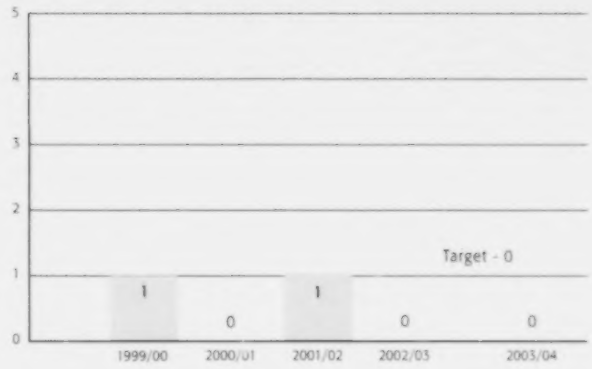
A primary goal of the ministry is to ensure that offenders remain in custody when they are in a correctional facility or being transported to court for trial.

Courts may sentence an offender to a period of incarceration in a correctional facility, or an offender may be held on a remand warrant while awaiting trial.

The prevention of escapes by offenders is an important element of the Solicitor General's contribution to safe communities. Adult correctional and young offender facility staff were very vigilant in meeting this performance target during the year. Ongoing staff training, appropriate supervision of offenders, collecting and communicating relevant preventative security information, and effective operational policies and procedures work together to reduce the possibility of escape incidents.

Number of Escape Incidents from Secure Custody

The number of escape incidents from secure custody (within a correctional facility) or during transport



Source: *Correctional Services Division*

For methodology related to this measure see page 55.

KEY MEASURE 4

Successful Transportation of Prisoners to Court

Performance Summary

All prisoners transported by Security Operations in the province in 2003/04 were delivered on time for their court appearances to the satisfaction of the judiciary.

Key Measure

Successful Transportation of Prisoners to Court	In 2003/04, 100 per cent of Security Operations transports were on time for court appearances. This was the same result achieved in 2002/03. This year's target was 90 per cent.

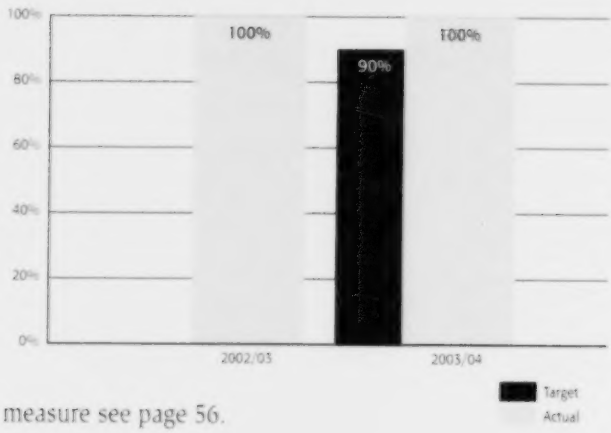
Discussion and Analysis

One of the ministry's key functions is to ensure prisoners held in custody attend to their scheduled court appearances. Timely court appearances provide for fair and competent justice for the accused and the justice system. Failure to meet a timely court appearance provides for unfair treatment and custody of accused persons and creates unnecessary and undo costs to the court system. Both Alberta Justice and Solicitor General each play a part in ensuring that justice is carried out keeping in mind fairness, promptness and protection to all concerned.

Prisoners required to attend court in multiple court locations on the same day of scheduling are normally rescheduled when identified by court officers. Generally matters are rescheduled to a later date or rearranged on the court list. Security Operations will arrange special transfers of prisoners to avoid prisoners not being able to meet court appearances. Communication by court officers to other court jurisdictions allows for rescheduling of court appearances to avoid losing jurisdiction on court matters.

Successful Transportation of Prisoners to Court

The percentage of court and prisoner services transports that are on time for court appearances



Source: *Public Security Division*

For methodology related to this measure see page 56.

GOAL FIVE
Ensure the safety of Albertans through appropriate crisis management planning

As a lead agency in Alberta's counter-terrorism crisis management process, one of Alberta Solicitor General's key priorities is to protect Albertans by ensuring that appropriate mechanisms are in place to identify and mitigate potential terrorist threats and prepare for emergency situations.

The following section highlights the ministry's accomplishments related to the strategies identified under goal five in the 2003-06 business plan.

STRATEGIC ACCOMPLISHMENTS

- Solicitor General has worked with officials from government, law enforcement, and intelligence agencies to develop and implement strategies to ensure the safety and security of those attending international events in the province.
- Through communication and cooperation with partners and stakeholders including law enforcement and intelligence organizations, private sector organizations and other provincial ministries, the Alberta Solicitor General Security and Information Management (SIM) Unit provided timely and accurate threat assessments.
- SIM maintained regular communication with Criminal Intelligence Service Alberta (CISA). CISA conducted queries on law enforcement database systems and directed SIM personnel to agencies that possess information and/or intelligence that is of value to SIM. SIM provided CISA with security related information gathered from contacts within government, municipalities, critical infrastructure sites, and public and private business sectors.
- SIM created and maintained electronic records on security information and intelligence received from contacts and clients and shared them with law enforcement and intelligence agencies. SIM also provided Alberta Counter-Terrorism Crisis Management Plan awareness seminars.
- A crisis management plan for the Legislature Building, Legislature Annex, Government House and McDougall Centre was completed and is being implemented.

KEY MEASURE 1

Stakeholder Satisfaction with Services of the Security and Information Management (SIM) Unit

Performance Summary

The majority of clients were satisfied with the information and services they received from the SIM unit.

Key Measure

Stakeholder Satisfaction with Services of the Security and Information Management Unit	Results of the 2003/04 SIM satisfaction survey indicate that 87 per cent of clients were very (54 per cent) or somewhat (33 per cent) satisfied with the information and services they had received from the SIM unit in the past 12 months.

Discussion and Analysis

This is a new measure.

This measure is responsive to the activities of the SIM unit, and the implementation and delivery of the Alberta Counter-Terrorism Crisis Management Plan as directed by the Ministerial Task Force on Security established by the Premier in response to the terrorist events of September 11, 2001.

SIM assists intelligence and law enforcement agencies by facilitating the movement of unclassified information reports to an approved list of stakeholders and clients in the community. The unit coordinates information sharing among federal, provincial, municipal and private and public sector business clients and stakeholders.

In addition to being asked how satisfied they were overall with SIM services, clients were asked to rate their satisfaction and confidence in specific SIM services. Ninety two per cent of clients surveyed indicated they were very or somewhat confident SIM is informed on terrorist threats facing Alberta. Eighty four per cent of clients were satisfied with threat level notification bulletins they received from the SIM unit. Eighty one per cent of clients surveyed were satisfied with the SIM unit's information and awareness presentations. And, eighty seven per cent of clients surveyed were satisfied with the Threat Assessment Notices or other information received from law enforcement agencies and the Canadian Security and Intelligence Service (CSIS), that they received via the SIM unit over the past 12 months.

For methodology related to this measure see page 56.

Cross-Ministry Priority Policy Initiatives and Key Corporate Strategies

Alberta Solicitor General is involved in several cross-ministry initiatives and corporate strategies.

Aboriginal Policy Initiative

Alberta Solicitor General is a supporting champion of the Government of Alberta's cross-ministry Aboriginal Policy Initiative (API) and supports Government Business Plan Goal 5 "Aboriginal people in Alberta will have improved social and economic circumstances."

The Director of the Aboriginal Justice Initiatives Unit has a lead role in supporting the API including providing support to the Deputy Solicitor General and to each of the divisions in the development and achievement of API goals.

The department continued to support the API through the development of community-based Aboriginal justice initiatives including youth justice committees in Aboriginal communities across Alberta, victims service programs responsive to the needs of Aboriginal victims, crime prevention and restorative justice initiatives in Aboriginal communities and community corrections agreements with Aboriginal service providers. Alberta Solicitor General continued to work towards implementation of a strategy for improving the effectiveness and efficiency of First Nation policing and to enhance the delivery of Aboriginal cultural awareness training to departmental staff.

Alberta Children and Youth Initiative

The department continued to be a working partner of the Alberta Children and Youth Initiative (ACYI). Pursuant to the department's existing mandate and through formalized cross government partnerships under the support of the ACYI, continued efforts were made to address children's mental health, child sexual exploitation, and Aboriginal youth suicide. There were also enhancements made to the approach taken by all staff (including those of stakeholder agencies) dealing with youth and families where Fetal Alcohol Spectrum Disorder is an issue.

Health Sustainability Initiative

Alberta Solicitor General and its partners have developed a strategy and implementation plan supporting the goal of diverting, where appropriate, criminally involved but mentally ill individuals away from the justice system. Work is currently underway in the communities of St Paul and Lethbridge examining potential diversion activities and services and pilot projects have been operating in Calgary and Edmonton.

Economic Development Strategy

In 2003/04 Alberta Solicitor General contributed to two of the five Cross-Ministry Economic Development Strategy (EDS) objectives. Under the objective related to implementation of the EDS, the ministry contributed a crime rate performance measure and target. In support of the objective related to rural development, the ministry contributed public opinion survey data on the opinions of rural Albertans related to crime and community safety.

Human Resource Strategies

The introduction of a performance management system within Alberta Solicitor General commenced, and compliance with corporate expectations will be achieved within the required timelines. This process, along with the business planning process, ensures the management of human resources within Solicitor General is aligned with government and ministry goals and priorities. Initiatives in place to attract and retain talent included comprehensive training, mentoring and secondment programs as well as the promotion of a supportive, positive, safe work environment. Classification restructuring and collective bargaining continued as ongoing initiatives to which the ministry provides expertise as required.

Information and Communications Technology (ICT Strategies)

Alberta Solicitor General instituted a number of new initiatives to enhance operations and support its mission and core businesses. Additional modifications were made to correctional systems to comply with the federal *Youth Criminal Justice Act*, which came into effect on April 1, 2003. Modifications included an automated interface between systems that track offenders in custody and those under supervision in the community to ensure consistency and availability of data. The Public Security Division deployed the Incident Reporting and Investigation Management System for the reporting of security and prisoner incidents, and the storage and retrieval of intelligence information.

In early March 2004, the ministry's public web site was redesigned and released. The new user-friendly design allows users to keep up with the ministry's activities, while providing access to the full range of law enforcement topics.

Working with other ministries, a pilot project was initiated to study the increased use of videoconferencing in correctional facilities and the court system. The ministry continued its preparations for the changeover of network services to Alberta SuperNet, and this work will be ongoing during 2004 and 2005.

Business Resumption Plan

In 2003/04, Alberta Solicitor General focused on enhancing three areas of its Business Resumption Plan: staff education, the improvement of internal command structures and testing. In partnership with Emergency Measures Alberta and other ministries, Alberta Solicitor General conducted tests of its plan to ensure the continued operations of essential services to Albertans in the event of a business interruption. Annual updates to the plan as well as testing and exercising will help to ensure that it remains current and relevant.

Regulatory Review

The ministry monitored its regulations and regulatory processes as planned. No action was necessary in 2003/04.

Deputy Ministers' Committee on Security

The Deputy Solicitor General participated on the Deputy Ministers' Committee on Security, which is mandated to evaluate security threats due to terrorism and make recommendations on crisis management and emergency response. This committee provides support and takes direction from the Ministerial Task Force.

Criminal Code Reporting

Bill C-24: *An Act to Amend the Criminal Code (Organized Crime and Law Enforcement) and to make consequential amendments to other acts*

On December 18, 2001, Parliament passed Bill C-24, An Act to Amend the *Criminal Code* (Organized Crime and Law Enforcement) and to make consequential amendments to other acts. The amendments to the *Criminal Code* contained in Bill C-24 enacted new sections to provide a limited justification for otherwise illegal acts and omissions by law enforcement officers, and others acting at their direction.

The law enforcement justification provisions came into force on February 1, 2002 and an essential condition is that it can apply only to officers designated by a competent authority. In the case of municipal police services, the Alberta Solicitor General is the competent authority.

The competent authority is responsible for publishing an annual report on the designations and authorizations provided under subsections 24.1 to 25.4 of the *Criminal Code*. This report shall include information on the amount and nature of the acts or omissions committed by those officers designated under this legislation.

Although the legislation came into force on February 1, 2002, Alberta did not begin designating officers under this legislation until March 2003. Although some municipal police services have officers designated they reported no use of the designations during this reporting period.

Bill C-36: *Anti-Terrorism Act*

On December 18, 2001, Parliament passed Bill C-36, the *Anti-Terrorism Act*. Through amendments to the *Criminal Code*, the new act created measures to take enforcement action in order to prevent terrorist incidents and provided law enforcement agencies with new investigative tools. In accordance with subsection 83.3(4), a peace officer who suspects on reasonable grounds that the detention of a person is necessary to prevent a terrorist activity, may arrest the person without a warrant.

Pursuant to subsection 83.31(3) of the *Criminal Code*, the Minister responsible for policing in every province shall publish or otherwise make available to the public an annual report for the previous year on the operation of subsection 83.3 of the *Criminal Code* that includes:

a) the number of arrests without warrant that were made under subsection 83.3(4) and the period of the arrested person's detention in custody in each case; and

b) the number of cases in which a person was arrested without warrant under subsection 83.3(4) and was released.

Information has been received from all police services in Alberta indicating that no arrests were made under this subsection in the previous year; therefore, the report for 2003 is nil.

Forward Looking Information

Alberta Solicitor General continues to work on refining goals and performance measures to more accurately reflect ministry outcomes and to align with our strategic priorities. Consistent with the strategic focus across government, the ministry has reduced the number of operational performance measures in the 2004-07 business plan.

Goal one in the 2004-07 business plan maintains the ministry's focus on safe communities. This goal will continue to be measured by public perception of safety in the home and neighbourhood; however, the descriptions of these measures has changed to enable a more direct comparison of Alberta results to other Canadian jurisdictions. The victimization rate and crime rate measures also remain in the 2004-07 business plan; however, public satisfaction with policing has been removed from the business plan.

Goal two – provide services to victims and ensure they have a more meaningful role in the criminal justice system – will be measured by satisfaction with services provided to applicants for victim financial benefits and access to victim service units. The performance measure – number of victim service initiatives – has been removed from the 2004-07 business plan.

Goal four – ensure secure and efficient custody, community supervision and transportation of offenders – will continue to be measured by successful completion of temporary absence supervision and per diem cost for housing adult offenders in a correctional facility. The measure – number of escape incidents from secure custody – has been modified to also reflect escapes during transport. As a result, successful transportation of prisoners to court has been removed from the 2004-07 business plan.

In addition to identifying goals and performance measures, the 2004-07 business plan identifies the ministry's strategic priorities and links them to ministry goals. The following seven strategic priorities are identified: action on MLA reviews, crime prevention, organized crime and terrorism, offender management, children and youth initiatives, Aboriginal justice initiatives and utilization of emerging technology.

In 2004-07, Alberta Solicitor General will work to ensure that future program and service development is consistent with the needs identified through the MLA reviews relating to policing, victims and corrections. We will continue to facilitate the development of crime prevention programs and restorative justice processes and will strive to work collaboratively with police services, intelligence and enforcement agencies to address organized crime and the threat of terrorism. We will work to provide innovative programs and services to address the unique needs of children, youth and Aboriginal Albertans who come into contact with the criminal justice system and will continue to assess the use of emerging technologies to improve the way we do business.

Methodology

GOAL ONE
Ensure safe communities in Alberta

KEY MEASURE 1
Public Perception of Safety in the Home

Methodology: A public opinion telephone survey is conducted on an annual basis. The survey averages 20 minutes in length and was last conducted in January 2004. Professionally trained interviewers conducted all interviews from a central telephone facility. The survey is completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten per cent of all interviews were monitored online.

All respondents met the following criteria: age 18 or over; 50 per cent male and 50 per cent female; and representative of age groups in the general population.

As in pervious years, in 2004 a total of 750 surveys were completed. The completed surveys were checked against the census data to ensure a representative sample across Alberta. Results are reliable to within + /-3.6 percent at the 95 per cent confidence level.

KEY MEASURE 2
Public Perception of Safety in the Neighbourhood

Methodology: As described under Key Measure 1: Public Perception of Safety in the Home.

KEY MEASURE 3
Victimization Rate

Methodology: As described under Key Measure 1: Public Perception of Safety in the Home.

KEY MEASURE 4
Crime Rate: Violent Crime and Property Crime

Methodology: Crime is defined as the total number of *Criminal Code of Canada* incidents reported by police. This includes crimes committed by adults and youth. Violent crime involves offences that deal with the application or threat of application of force to a person. These include homicide, attempted murder, various forms of sexual and non-sexual assault, robbery and abduction. Traffic incidents that result in death or bodily harm are not included. Property crime includes unlawful acts with the intent of gaining property, but do not involve the use or threat of violence against an individual. Theft, breaking and entering, fraud and possession of stolen goods are examples of property crimes.

Crime statistics are collected using the Uniform Crime Reporting Survey, a common survey instrument used to measure police-reported crime in each Canadian jurisdiction. Population data from Statistics Canada is used to convert reported crime into crime rates per 100,000 population.

KEY MEASURE 5
Public Satisfaction with Policing

Methodology: As described under Key Measure 1: Public Perception of Safety in the Home.

GOAL TWO
Provide services to victims and ensure they have a more meaningful role in the criminal justice system

KEY MEASURE 1
Satisfaction with Services Provided to Applicants for Victim Financial Benefits

Methodology: The measure is taken from a five point Likert scale question on the evaluation page of the Application for Financial Benefits form. The scale ranges from one (not very helpful) to five (very helpful). In total 1,114 valid completed surveys were returned from victims between April 1, 2003 and March 31, 2004, the total of which was used to calculate the result. Respondents included only those applying for financial benefits that chose to complete the survey and respond to this question, at the time they applied for benefits. This indicates a 63 per cent response rate as 1,767 new applications were received for the fiscal year 2003/04.

The calculation of satisfied respondents is as follows: the responses of "1" or "2" on the five point scale (not helpful), of "3" (neutral) and of "4" and "5" (helpful) were counted for each month. The counts were entered on a spreadsheet by month of receipt.

For the 3.99 out of five average response result, the methodology consisted of totaling all scores for the survey question and dividing by the total number of valid completed responses to the question for a one-year period.

KEY MEASURE 2
Access to Victim Service Units

Methodology: Using administrative records, a total of all Alberta Police Services or RCMP Detachments that have, or have access to a victim service unit, and the ones that do not have, or have no access to a victim service unit is calculated. A simple percentage formula is then applied. (Total number of Alberta police services or RCMP detachments that have, or have access to a Victim Service Unit divided by the total number of Alberta Police Services or RCMP Detachments, then multiplied by 100).

KEY MEASURE 3
Number of Victim Service Initiatives

Methodology: The word "supported" by Alberta Solicitor General is taken in context to mean those programs supported by tangible funding such as grants. The number of victim service units is calculated using the Directory – Victim Service Units. Those victim service units in the directory that are not funded by the Victims of Crime Funding are eliminated. The same method is used for the community programs funded by Alberta Solicitor General's victims programs and youth justice committees. Alternative Measures Program, Financial Benefits Program, Victim Impact Statement Program and Victim Restitution Program are also included in the count. All the above are totaled and reported.

GOAL THREE
Facilitate the rehabilitation of offenders

KEY MEASURE 1
Outcome of Correctional Sanctions: Successful Completion of Young Offender Probation Dispositions

Methodology: This measure is calculated by dividing the number of probation dispositions that terminate successfully by the number of probation dispositions that terminate. Probation dispositions can terminate either successfully or unsuccessfully.

A probation disposition terminates successfully when it is closed as a result of reduced supervision granted or expiration of the probation order.

Unsuccessful termination occurs when the disposition is closed on or prior to the expiration date of the probation order as a result of the offender:

- Incurring a new criminal charge that results in a period of incarceration and the probation order will expire during the period of incarceration;
- Failing to report to a probation officer and a warrant being issued under the *Youth Criminal Justice Act* (Canada) or under the *Provincial Youth Justice Act*;
- Having a probation violation or *Criminal Code of Canada* offences outstanding on the expiration date; or,
- Incurring a new *Criminal Code* or other federal statute charge that results in a conviction during the period of probation supervision.

Each month, community corrections offices report the number of probation dispositions that terminate, and whether termination was successful or unsuccessful, to head office.

The description of the methodology used to determine unsuccessful completion of young offender dispositions was expanded to more comprehensively reflect case management practices.

KEY MEASURE 2
Outcome of Correctional Sanctions: Successful Completion of Adult Offender Probation Dispositions

Methodology: This measure is calculated by dividing the number of probation dispositions that terminate successfully by the number of probation dispositions that terminate. Probation dispositions can terminate either successfully or unsuccessfully.

A probation disposition terminates successfully when it is closed as a result of reduced supervision granted or expiration of the probation order.

Unsuccessful termination occurs when the disposition is closed on or prior to the expiration date of the probation order as a result of the offender:

- Incurring a new criminal charge that results in a period of incarceration and the probation order will expire during the period of incarceration;
- Failing to report to a probation officer and a warrant being issued under the *Criminal Code of Canada*;

- Having a probation violation outstanding on the expiration date; or,
- Incurring a new *Criminal Code* or other federal statute charge that results in a conviction during the period of probation supervision.

Each month, community corrections offices report the number of probation dispositions that terminate, and whether termination was successful or unsuccessful, to head office.

The policy relating to the closure of adult offender probation dispositions was amended to better align with the requirement that an offender not lapse into further criminal behaviour while subject to correctional supervision and to make it more consistent with that used for young offenders.

KEY MEASURE 3

Percent of Offenders Involved in Work, Education, Treatment or Life Management Programs

Methodology: This measure is calculated by dividing the estimated average daily number of sentenced adult and sentenced and remanded young offenders involved in work, education, treatment or life management programs by the average daily offender population for the year.

Correctional centres throughout the province keep statistics on offender activities. Staff in each of the centres calculates an average number of offenders involved in meaningful activities (education programs, employment, counseling) and enters this information on an Offender Activity Report, which is forwarded to head office each month. Staff at head office totals the number in the offender activity reports received from all centres and produces a provincial total.

KEY MEASURE 4

Number of Hours of Community Service

Methodology: Alberta correctional centres, camps and group homes report the total number of community service hours completed by offenders serving sentences in custody in monthly offender activity reports. Community corrections officials and contracted agencies report the community hours completed by the offenders serving sentences in the community in workload statistical reports.

Information from both sources is reported to the Correctional Services Division and is presented in a monthly performance measure report. The number of community service hours reported in the monthly offender activity reports and the workload statistical reports are added together to produce a provincial total. Information on the specific agencies and government departments for which community service is performed is not analyzed.

GOAL FOUR
Ensure secure and efficient custody, community supervision and transportation of offenders

KEY MEASURE 1
Successful Completion of Temporary Absence Supervision

Methodology: A record of offenders granted temporary absence and the number of offenders who re-offend while on temporary absence is maintained in a central database operated by the ministry.

The number of offenders who successfully complete temporary absence is determined by subtracting the number of offenders whose temporary absence was suspended for incurring a new charge from the number of offenders granted temporary absence. The measure is then calculated by dividing the number of offenders who successfully complete temporary absence by the number of offenders granted temporary absence.

KEY MEASURE 2
Per Diem Cost for Housing Adult Offenders in a Correctional Facility

Methodology: The calculation of this measure conforms to reporting instructions provided by the Canadian Centre for Justice Statistics (CCJS). CCJS reporting instructions include actual costs charged to the Correctional Services Division's budget, and make Alberta results comparable to other Canadian jurisdictions.

The per diem cost is calculated by dividing actual costs directly charged to the Correctional Services Division's budget for custody of offenders at government operated adult remand and correctional centres along with associated camps by 365 days in a year and by the average daily offender population of the centres.

Actual costs exclude costs incurred by other ministries (Infrastructure, Municipal Affairs, and Learning) and any costs not directly associated with running government operated adult correctional centres such as community corrections, head office, or costs for purchased community services.

Adult intermittent servers are included in the average daily population, as are young offenders held at the Red Deer and Medicine Hat Remand Centres (approximately five per centre).

KEY MEASURE 3
Number of Escape Incidents from Secure Custody

Methodology: Adult correctional centres and young offender centres report the number of escapes from secure custody on monthly offender activity reports, which are forwarded to head office.

When a centre reports an escape from secure custody, head office investigates to verify the reported escape is an escape from within the secure confines of a correctional centre.

To be counted as an escape from secure custody, the escape must meet all the requirements for a prison breach as described in the *Criminal Code of Canada*. Offenders who walk away from minimum-security settings such as work camps and group homes or who fail to return from a period of temporary absence are not counted as escapes from secure custody.

KEY MEASURE 4

Successful Transportation of Prisoners to Court

Methodology: Public Security Division's regional offices record the total number of prisoners transported to courts in the province and the total number of lateness complaints made by the judiciary in the province on a monthly basis. When prisoners are late for their court appearance an Incident Report is generated. The percentage of on-time transportation of prisoners to court is derived from dividing the total number of prisoners transported by the number of judicial complaints reported. In 2003/04 no incident reports were generated. Prisoners who are late for court as a result of weather, road conditions or administrative delays are not included in the calculation of on-time transports.

GOAL FIVE
Ensure the safety of Albertans through appropriate crisis management planning

KEY MEASURE 1

Stakeholder Satisfaction with Services of the Security and Information Management Unit

Methodology: The SIM satisfaction survey was conducted by Research Innovations Inc. using a combination of online and telephone data collection methods. A stratified random sample of the clients of the Security and Information Management (SIM) Unit of Alberta Solicitor General were invited to participate in a survey to assess their satisfaction with the information and services that they had received from the SIM unit over the past 12 months. To promote a high response rate, all interviews were conducted at a time or using a means (phone versus online) that was preferred by the client.

When contacted by e-mail, clients were sent a link to the survey web site, along with a confidential PIN number for entering the survey website. If they participated online at the website, respondents entered their responses directly into the data file. If the interview was conducted by phone, then the telephone interviewer entered the data into the data file.

To minimize potential question order bias, question items were randomly ordered as required. All telephone interviews were conducted from supervised central telephone interviewing facilities in Edmonton.

A total of 389 clients participated in the survey and the margin of error in the overall result is no greater than + /-5.0 per cent at the 95 per cent confidence level. The overall participation rate was 65 per cent.

Financial Analysis and Discussion

OPERATING RESULTS

2003/04 Actual Revenue by Source ($41.3 million)

2003/04 Actual Expenses by Program ($282.8 million)

OPERATING RESULTS

Ministry revenues in 2003/04 were $3.5 million higher than the previous year. Annual spending increased by $17.1 million consistent with approved increases to the ministry's base budget. Ministry revenues and expenses are from the Statement of Operations on page 70.

Revenue

Total revenue increased by nine per cent to $41.3 million. Transfers from the Government of Canada decreased by $0.3 million mainly due to the Federal Inmates Program. Interest income increased by $0.1 million due to rate improvement and an increasing fund balance in the Victims of Crime Fund (VOCF). Other revenue increased by $3.7 million. Provincial surcharge revenue increased by $4.4 million resulting from fine increases under the *Traffic Safety Act*. Federal surcharge revenue and other miscellaneous revenue such as expenditure refunds decreased by $0.7 million.

Expenses

Ministry expenses were $5.3 million above the approved spending level of $277.5 million. Voted operating expenses exceeded the approved budget of $267.2 million by $2.5 million. Supplementary funding of $3.5 million was added to implement the Integrated Response to Organized Crime in Alberta. There was also a $1.7 million increase approved for the financial benefits program in the VOCF.

Comparison of 2003/04 Budget to 2003/04 Actual

Actual operating expense for Public Security of $131.1 million exceeded the approved budget by $1.2 million. General manpower compensation settlements were $0.5 million higher than the $14.1 million budget allocation. Other expenses of $113.9 million exceeded budget by $0.6 million for contracted policing services prior to supplementary funding of $3.5 million. Correctional Services exceeded its $131.5 million operating budget by $1.5 million or less than one per cent. Salary settlement and other compensation increases were $3.5 million higher than the $103.7 million budget. This was partially offset by a $2.0 million surplus in other expenditures mainly in contracts and other purchased services. Ministry Support Services had a surplus of $0.2 million on a $5.9 million budget, as manpower costs were less than the budget allocation.

The Victims of Crime Program costs of $12.0 million exceeded the approved budget by $2.0 million for the Financial Benefits Program. Approximately $0.9 million of the difference was for two lump sum payments on previous crimes compensation awards. The $1.1 million remainder results from program growth. The fund received an approved funding increase of $1.7 million for the Financial Benefits Program. This funding increase was offset by an increase in fund revenues. Expenses of $2.8 million for victims programs, Criminal Injuries Review Board and administration were $0.1 million less than the $2.9 million budget.

The ministry budgets a nominal amount of $0.3 million for statutory valuation to the provisions for doubtful accounts and vacation pay. No additional funding for these provisions was requested.

Comparison of 2003/04 Actual to 2002/03 Actual

Ministry Support Services expenditures increased by $0.2 million mainly due to salary settlements.

Public Security expenditures increased by $10.7 million. Salary settlements and other compensation increases amounted to $1.2 million. The majority of the increase in other expenses was due to cost increases in the Provincial Policing Agreement and the Integrated Response to Organized Crime in the amount of $10.8 million. Grants decreased in 2003/04 by $1.3 million for one-time grants which were paid in 2002/03 to police services and to support changes to the graduated licensing program.

Correctional Services expenses increased by $3.8 million. Manpower costs increased by $4.8 million due to salary settlements and related employer contributions. Other supplies and services costs decreased by $1.0 million. The majority of the reduction was in information technology equipment and furnishings of $0.8 million.

Victims of Crime Fund expenditures increased by $2.2 million. Increases to the Financial Benefits Program awards amounted to $1.5 million. The estimated liability for outstanding financial benefits applications was $0.7 million. The provision for increased vacation increased by less than $0.1 million to $12.4 million concurrent with salary settlement and other compensation increases.

The provision for doubtful accounts increased by $0.1 million. The provision for provincial surcharges, which may be deemed uncollectible, increased by $0.2 million. The provision for federal surcharges decreased by $0.1 million.

CORE BUSINESS RESULTS

	(thousands of dollars)		
	2003/04 Budget	2003/04 Actual	2002/03 Actual
EXPENSE			
Core Business			
Custody, Supervision and Rehabilitative Opportunities for Offenders	134,486	136,106	132,782
Policing and Crime Prevention	117,009	117,926	107,902
Security Services	15,662	16,196	14,920
Victims Programs and Services	10,362	12,555	10,110
MINISTRY EXPENSE	277,519	282,783	265,714

Custody, Supervision and Rehabilitative Opportunities for Offenders: includes Institutional Services, Community Correctional Services and Purchased Community Services.

Policing and Crime Prevention: includes Provincial Policing Programs, First Nations Policing, and Crime Prevention.

Security Services: includes Protection Services and Security Operations.

Victims Programs and Services: includes Financial Benefits, Victims Programs and Criminal Injuries Review Board.

2003/04 Actual Expense by Core Business

CORE BUSINESS RESULTS

Expenses

Although expenses by core business have been associated with the ministry's goals, there is no supportable basis to enable redistribution of program delivery costs to each goal. Direct program expenses and statutory expenses have been redistributed to the core business. Ministry Support Services have been proportionality allocated to the core businesses.

Comparison of 2003/04 Budget to 2003/04 Actual

The variances and explanations for custody, supervision and rehabilitative opportunities for offenders are identical to those for Correctional Services in the Operating Results section. The budget and actual expense allocated to this core business for Ministry Support Services was $2.8 million.

Actual costs of $117.9 million for policing and crime prevention exceeded the $117.0 million budget by $0.9 million. Salary settlements and other compensation increases resulted in manpower expenses exceeding the $0.6 million budget by $0.1 million. Contracted services, principally for policing services, of $110.5 million, were higher than the $109.6 million budget by $0.9 million prior to adding $3.5 million in supplementary funding. The allocated budget of $2.5 million for Ministry Support Services was $0.1 million in excess of allocated costs.

Security services costs of $16.2 million were $0.5 million higher than the $15.7 million budget due to salary settlements and corresponding increases to the vacation liability. Allocated ministry support was $0.3 million.

Victims programs and services differences and explanations are the same as those described for the Victims of Crime Fund (VOCF) in the Operating Results section. The ministry support allocation was $0.2 million.

Comparison of 2003/04 Actual to 2002/03 Actual

Actual expenditures for custody, supervision and rehabilitative opportunities for offenders of $132.8 million in 2002/03 increased by $3.3 million to $136.1 million in 2003/04 for the same reasons noted for Correctional Services in the Operating Results section.

Policing and crime prevention expenses increased by $10.0 million to $117.9 million. Manpower related costs increased by $0.1 million for salary settlements. Other expenses increased by $9.6 million. Cost increases in the Provincial Policing Agreement and Integrated Response to Organized Crime were approximately $10.9 million and were offset by a reduction to one-time police services grants of $1.3 million. The Ministry Support Services allocation increased by $0.2 million.

Security services costs increased by $1.3 million to $16.2 million. There was a $1.4 million increase to manpower costs from salary settlements and related increases to the vacation liability. Other supplies and services costs decreased by $0.1 million mainly from information technology equipment and furnishings reductions.

Expenditures for victims programs and services increased by $2.4 million. The Financial Benefits Program growth accounted for $2.2 million of the increase. The remaining $0.2 million were increases to the provision for uncollectible surcharges and vacation pay.

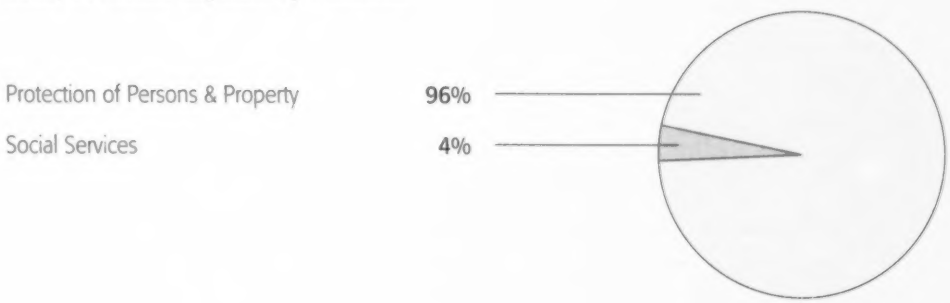
FUNCTIONAL RESULTS

	(thousands of dollars)		
	2003/04 Budget	2003/04 Actual	2002/03 Actual
EXPENSE			
Function			
Protection of Persons & Property	267,374	270,476	255,810
Social Services	10,145	12,307	9,904
MINISTRY EXPENSE	277,519	282,783	265,714

Protection of Persons & Property: Includes expenses for services provided to ensure the security of persons and property through correctional rehabilitation services, policing and other protection of persons and property.

Social Services: Covers actions taken by the government either alone or in co-operation with Albertans, to offset or to forestall situations where the well being of individuals or families is threatened by circumstances beyond their control. This includes the provision of services to victims of crime.

2003/04 Actual Expense by Function



FUNCTIONAL RESULTS

Expenses

Protection of Persons and Property includes the Department of the Solicitor General. Social Services includes the Victims of Crime Fund (VOCF).

Comparison of 2003/04 Budget to 2003/04 Actual

Total expenses for the department (protection of persons and property) of $270.5 million exceeded the approved budget by $3.1 million prior to the $3.5 million supplementary funding increase. The manpower budget of $121.6 million was overspent by $3.7 million due to salary settlements and other compensation increases. The approved budget for other expenses of $145.6 million was underspent by $1.2 million or less than one per cent. The vacation pay provision of $0.8 million was $0.6 million over budget due to the salary settlements.

Social services differences and explanations are the same as those described for the VOCF in the Operating Results section.

Comparison of 2003/04 Actual to 2002/03 Actual

Total expenses for protection of persons and property increased by $14.7 million to $270.5 million. Manpower related expenses increased by $6.3 million due to salary settlements and other compensation increases. Supplies and services costs increased by $9.7 million to $141.2 million. The Provincial Policing Agreement and the Integrated Response to Organized Crime increased by $10.9 million. This was offset by a decrease of $1.2 million in other supplies and services costs or less than one per cent of the total. Grant costs decreased by $1.3 million for one-time grants for police services and to support changes to the graduated licencing program. The provision for vacation pay increased by $0.1 million due to salary settlements.

Social services differences and explanations are the same as those described for the VOCF in the Operating Results section.

Financial Statements

MINISTRY OF THE SOLICITOR GENERAL

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

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AUDITOR GENERAL
Alberta

Auditor's Report

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of the Solicitor General as at March 31, 2004, and the consolidated statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2004, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 21, 2004

Ministry of the Solicitor General
Consolidated Statement of Operations
Year Ended March 31, 2004

(in thousands)

	2004		Restated 2003
	Budget (Schedule 3)	Actual	Actual (Note 3)
Revenues (Schedule 1)			
Transfer from the Government of Canada	$ 23,517	$ 22,498	$ 22,751
Investment Income	300	287	182
Fees, Permits and Licences	325	349	367
Other Revenue	16,109	18,139	14,484
	40,251	41,273	37,784
Expenses – Directly Incurred (Note 2b and Schedule 5)			
Voted (Schedule 2)			
Ministry Support Services	5,870	5,650	5,487
Public Security	129,830	131,062	120,409
Correctional Services	131,507	132,996	129,206
	267,207	269,708	255,102
Statutory (Schedule 3)			
Valuation Adjustments			
Provision for Doubtful Accounts	200	318	164
Provision for Vacation Pay	67	787	721
	267	1,105	885
Regulated Fund			
Victims of Crime	10,045	11,970	9,727
	277,519	282,783	265,714
Net Operating Results	$ (237,268)	$ (241,510)	$ (227,930)

The accompanying notes and schedules are part of these financial statements.

Ministry of the Solicitor General
Consolidated Statement of Financial Position
March 31, 2004

(in thousands)

	2004	Restated 2003 (Note 3)
Assets		
Cash	$ 11,537	$ 7,075
Accounts Receivable (Note 4)	20,116	14,147
Advances	4	2
Tangible Capital Assets (Note 5)	1,607	1,797
	$ 33,264	$ 23,021
Liabilities		
Accounts Payable and Accrued Liabilities	$ 51,891	$ 46,039
Net Liabilities		
Net Liabilities at Beginning of Year	(23,018)	(21,485)
Net Operating Results	(241,510)	(227,930)
Prior Period Adjustment for Capital Assets (Note 3b)	-	146
Net Transfer from General Revenues	245,901	226,251
Net Liabilities at End of Year	(18,627)	(23,018)
	$ 33,264	$ 23,021

The accompanying notes and schedules are part of these financial statements.

Ministry of the Solicitor General
Consolidated Statement of Cash Flow
Year Ended March 31, 2004

(in thousands)

	2004	Restated 2003 (Note 3)
Operating Transactions		
Net Operating Results	$ (241,510)	$ (227,930)
Non-cash items included in Net Operating Results		
Amortization	291	312
Valuation Adjustments	1,105	885
	(240,114)	(226,733)
(Increase) Decrease in Accounts Receivable	(6,287)	3,779
(Increase) Decrease in Advances	(2)	3
Increase in Accounts Payable and Accrued Liabilities	5,065	953
Cash Applied to Operating Transactions	(241,338)	(221,998)
Capital Transactions		
Acquisition of Tangible Capital Assets	(101)	(1,307)
Cash Applied to Capital Transactions	(101)	(1,307)
Financing Transactions		
Net Transfer from General Revenues	245,901	226,251
Increase in Cash	4,462	2,946
Cash, Beginning of Year	7,075	4,129
Cash, End of Year	$ 11,537	$ 7,075

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF THE SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

Note 1 Authority and Purpose

The Solicitor General has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. To fulfill these responsibilities, the Solicitor General administers the organizations listed below. The authority under which each organization operates is also listed. Together, these organizations form the Ministry of the Solicitor General.

Organization	Authority
The Department of the Solicitor General	*Government Organization Act*
Victims of Crime Fund	*Victims of Crime Act*

The Ministry's purpose is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services and when crime is committed to assist victims of crime.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Ministry of the Solicitor General for which the Solicitor General is accountable. These financial statements include the activities of the Department of the Solicitor General and the Victims of Crime Fund (a regulated fund).

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

Basis of Consolidation

The accounts of the Department and the Victims of Crime Fund are consolidated after adjusting them to a basis consistent with the accounting policies described below. There were no eliminating entries required to revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between entities within the Ministry.

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services incurred by other entities in support of the Ministry's operations are disclosed in Schedule 5.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $15,000.

Liabilities

Liabilities include all financial claims payable by the Ministry at fiscal year end.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Victims of Crime Fund accounts receivable, recorded as $13,098 in these financial statements, is subject to measurement uncertainty. Accounts receivable excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the fine. Outstanding surcharges expected to be satisfied by other means of $1,025 (2003 - $963) have been deducted from total outstanding surcharges of $13,499 (2003 - $11,118) to arrive at reported revenue and related accounts receivable. The estimate of $1,025 is based on the actual percentage satisfied in this manner from April 1, 2003 to March 31, 2004. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of $2,184 (2003 - $1,412) in these financial statements, is subject to measurement uncertainty.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Note 3 Program Transfers and Tangible Capital Assets
(in thousands)

a) Effective April 1, 2003 the Native Courtworker program was transferred from Alberta Solicitor General to Alberta Justice. Comparative figures for 2003 in these financial statements have been restated as if Alberta Justice had delivered this program in 2002-03. All statements and schedules have been restated with the change to the Statement of Financial Position shown below.

Net Operating Results

As previously reported	$(229,017)
Add program expenses transferred to Justice	1,087
Restated for the year ended March 31, 2003	$(227,930)

Net Transfer from General Revenues

As previously reported	$227,338
Deduct funding not required	(1,087)
Restated for the year ended March 31, 2003	$226,251

b) Tangible capital assets have been restated to reflect prior period purchases, disposals and associated amortization. Capital asset purchases were reclassified from supplies and services and disposals previously unrecorded were recorded. All statements and schedules have been restated with the change to the Statement of Financial Position shown below.

Capital Assets

As previously reported	$1,651
Add prior period additions net of disposals	146
Restated for the year ended March 31, 2003	$1,797

Net Liabilities

As previously reported	$(21,485)
Deduct increase in net capital assets	146
Restated Net Liabilities for the year ended March 31, 2003	$(21,339)

Note 4 Accounts Receivable
(in thousands)

	2004			2003
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 5,822	$ -	$ 5,822	$ 3,010
Fine Surcharges	13,901	803	13,098	10,683
Other	1,196	-	1,196	454
	$ 20,919	$ 803	$ 20,116	$ 14,147

Accounts receivable are unsecured and non-interest bearing.

Note 5 Tangible Capital Assets
(in thousands)

		2004			Restated 2003
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	10 years	$ 6,459	$ 5,287	$ 1,172	$ 1,435
Building	40 years	17	17	-	16
Computer Hardware and Software	5-10 years	468	33	435	346
Total		$ 6,944	$ 5,337	$ 1,607	$ 1,797

Note 6 Commitments

(in thousands)

As at March 31, 2004, the Ministry is committed under contracts, which expire on various dates to March 2012, totaling $349,774 (2003 - $336,342). This includes a commitment for the Provincial Police Service Agreement. The Provincial Police Service Agreement with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. The term of this contract is from April 1, 1992 to March 31, 2012. The cost of this police service agreement was estimated at $101,706 (2003 - $98,467). Under the terms of the agreement, Alberta may terminate the agreement with a two-year notice served on March 31, in any year. The commitment, based on the minimum notice period, is estimated to be $324,000 as at March 31, 2004 (2003 - $312,400), which represents payments for policing services until March 31, 2007.

The Ministry leases equipment and vehicles under operating leases, which expire on various dates to 2008. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year	(in thousands)
2005	$ 450
2006	292
2007	158
2008	34
Total	$ 934

Proclamation of the *Victims of Crime Act* in 1997 repealed the *Criminal Injuries Compensation Act*, dissolving the Crimes Compensation Board. The Director under the *Victims of Crime Act* assumed administrative responsibility and the Fund assumed financial responsibility for future obligations associated with the former Board's compensation claims. A number of these claims involve a monthly payment for continuing loss of support or income and/or cost of care. These payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount. Recipients are also expected to advise the Fund of any significant change in circumstance or status between review dates.

In March 2004, forty three eligible recipients received a monthly payment (forty seven eligible recipients in March 2003). The total estimated amount of all monthly payments to eligible recipients for 2004-05 is $557 (2003-04 - $582). These eligible recipients will continue to be paid in future years if it is determined during the annual review that they continue to meet the eligibility criteria and the payments are approved by the Director. An estimate of the total payments for 2005-06 and future years cannot be reliably determined.

The Victims of Crime Fund has entered into longer term funding arrangements with organizations for delivery of victim services to communities. These arrangements, subject to satisfaction of reporting and service delivery requirements, are $1,358 in 2004-05 and $459 in 2005-06.

Note 7 Contingencies
(in thousands)

As at March 31, 2004, the Ministry is a defendant in fifty six legal claims (2003 – fifty three legal claims). Forty four of these claims have specified amounts totaling $24,519 and the remaining twelve have no specified amount (2003 – forty six claims with a specified amount of $35,844 and seven with no specified amount). Included in the total legal claims is one claim with no specified amount (2003 – there was no such claim) in which the Ministry has been jointly named with other entities. Forty eight claims amounting to $22,909 (2003 – forty two claims totaling $32,363) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 8 Financial Benefits
(in thousands)

As at March 31, 2004, there were seven hundred forty two (2003 - three hundred ninety four) active applications for financial benefits with the Victims of Crime program. Sufficient information was received to conclude determinations of eligibility and assess injuries on one hundred thirty one applications (2003 – twenty). There were five hundred eleven applications (2003 - three hundred seventy four) requiring additional information to make final determinations on individual applications. A liability of $617 (2003 - $36) was recorded for individual applications where sufficient information was received to confirm eligibility and where the amount could be determined under regulations to the *Victims of Crime Act*. An additional estimated liability of $2,184 (2003 - $1,412), subject to variation, was recorded based on historical information for those applications with insufficient information to make final determinations. The total amount accrued for financial benefits included in accounts payable and accrued liabilities amount to $2,801 (2003 - $1,448).

Note 9 Trust Funds Under Administration
(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

Institutional Trust receives and disburses inmate funds used for their personal needs, and inmate welfare funds that are administered on their behalf. As at March 31, 2004, the amount of the trust assets under administration net of trust liabilities held for the Institutional Trust was $488 (2003 – restated $427). Total trust receipts exceeded total trust disbursements in 2003-2004 by $61 (2003 – restated receipts exceeded disbursements $119).

Note 10 Payments Under Agreement
(in thousands)

The Ministry has an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of Justice Canada. Proceeds received from Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements.

Amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement with Justice Canada, for the year ended March 31, 2004, are $119 (2003 - $216) and are reflected in the Consolidated Statement of Financial Position.

The Ministry also had two one time only funding agreements with the Government of Canada. Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Accounts receivable includes $348 (2003 - $325) for the *Youth Criminal Justice Act* and $0 (2003 - $39) for the G8 Summit. Total accounts receivable from the Government of Canada for the year ended March 31, 2004 are $348 (2003 - $364) and are reflected in the Consolidated Statement of Financial Position.

Amounts paid under agreements with program sponsors are as follows:

	2004	2003
Government of Canada – *Youth Criminal Justice Act*	$ 348	$ 325
Government of Canada – G8 Summit	-	1,148
	$ 348	$ 1,473

Note 11 Defined Benefit Plans
(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $6,738 for the year ended March 31, 2004 (2003 - $5,670).

Note 11 Defined Benefit Plans (continued)

(in thousands)

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014 (2002 - $301,968) and the Public Service Pension Plan reported an actuarial deficiency of $596,213 (2002 - $175,528). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312 (2002 - $6,472).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of $9,766 (2003 - $14,434) and the Management, Opted Out and Excluded Plan an actuarial surplus of $1,298 (2003 – actuarial deficiency of $3,053). The expense for these two plans is limited to employer's annual contributions for the year.

Note 12 Comparative Figures

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

Note 13 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General.

Ministry of the Solicitor General **Schedule 1**
Schedule to Consolidated Financial Statements
Revenues
Year Ended March 31, 2004

(in thousands)

	2004		Restated 2003 Note 3
	Budget	Actual	Actual
Transfer from the Government of Canada			
Young Offenders Program	$ 20,557	$ 19,542	$ 19,297
Federal Inmates Program	2,500	2,312	3,018
Other	460	644	436
	23,517	22,498	22,751
Investment Income – Bank Interest	300	287	182
Fees, Permits and Licences			
Private Investigator Fees	325	349	367
Other Revenue			
Fine Surcharges	16,044	17,748	13,506
Refunds of Expenditures	25	180	105
Miscellaneous	40	211	873
	16,109	18,139	14,484
	$ 40,251	$ 41,273	$ 37,784

Ministry of the Solicitor General
Schedule to Consolidated Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2004

Schedule 2

(in thousands)

	2004 Budget	2004 Actual	Restated 2003 Actual (Note 3)
Voted			
Salaries, Wages and Employee Benefits (a)	$ 121,583	$ 125,323	$ 119,023
Supplies and Services (a)	142,635	141,170	131,515
Grants	2,727	2,875	4,199
Financial Transactions and Other	53	49	53
Amortization of Tangible Capital Assets	209	291	312
Total Voted Expenses	$ 267,207	$ 269,708	$ 255,102
Regulated Fund			
Salaries, Wages and Employee Benefits	$ 719	$ 909	$ 706
Supplies and Services	718	442	632
Grants	8,540	10,619	8,389
Amortization of Tangible Capital Assets	68	-	-
Total Regulated Fund Expenses	$ 10,045	$ 11,970	$ 9,727

(a) Salaries, wages and employee benefits and supplies and services expenses for Strategic Services programs are shared with the Ministry of Justice, which contributes its own share of expenses. Only the Ministry of the Solicitor General portion is disclosed in this Schedule.

Ministry of the Solicitor General
Schedule to Consolidated Financial Statements
Budget
Year Ended March 31, 2004

Schedule 3

(in thousands)

	2003-2004 Estimates	Authorized Supplementary (a)	Treasury Board Authorized (b)	2003-2004 Authorized Budget
Revenues				
Transfer from the Government of Canada	$ 23,517	$ -	$ -	$ 23,517
Investment Income	300	-	-	300
Fees, Permits and Licences	325	-	-	325
Other Revenue	16,109	-	1,700	17,809
	40,251	-	1,700	41,951
Expenses – Directly Incurred				
Voted				
Ministry Support Services	5,870	-	-	5,870
Public Security	129,830	3,500	-	133,330
Correctional Services	131,507	-	-	131,507
	267,207	3,500	-	270,707
Statutory				
Valuation Adjustments				
Provision for Doubtful Accounts	200	-	-	200
Provision for Vacation Pay	67	-	-	67
	267	-	-	267
Victims of Crime Fund	10,045	-	1,700	11,745
Total Expenses	277,519	3,500	1,700	282,719
Net Operating Results	$ (237,268)	$ (3,500)	$ -	$ (240,768)
Equipment/Inventory Purchases	$ 175	$ -	$ -	$ 175

(a) Supplementary Estimates were approved on December 4, 2003.

(b) An increase of expenditure of the Victims of Crime Fund was authorized by Treasury Board on February 4, 2004. Treasury Board authorized an increase to the expenditure on the basis of an offsetting increase to revenues of the Victims of Crime Fund.

Ministry of the Solicitor General **Schedule 4**
Schedule to Consolidated Financial Statements
Related Party Transactions
Year Ended March 31, 2004
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2004	2003
Expenses – Directly Incurred		
Alberta Corporate Service Centre	$ 3,471	$ 3,606
Information Technology	805	997
Vehicles (CVO/EVO)	58	92
Queen's Printer	-	3
Air Transportation	13	29
Parking	6	6
	$ 4,353	$ 4,733

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

	Other Entities	
	2004	2003
Expenses – Indirectly Incurred by Others		
Accommodation	$ 27,943	$ 26,104
Legal Services	943	869
	$ 28,886	$ 26,973

The Ministry receives services under contracts managed by the Ministry of Government Services, Alberta Corporate Service Centre (ACSC). Any commitments under these contracts are reported by ACSC.

Ministry of the Solicitor General
Schedule to Consolidated Financial Statements
Allocated Costs
Year Ended March 31, 2004
(in thousands)

Schedule 5

	2004						2003
		Expenses - Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Restated Total Expenses (Note 3)
Voted:							
Ministry Support Services	$ 5,650	29	29	67	-	5,775	$ 5,966
Public Security	131,062	1,002	80	346	-	132,490	121,024
Correctional Services	132,996	26,856	828	355	-	161,035	155,655
	269,708	27,887	937	768	-	299,300	282,645
Regulated Fund:							
Victims of Crime	11,970	56	6	19	318	12,369	10,042
	$ 281,678	27,943	943	787	318	311,669	$ 292,687

(1) Expenses-Directly Incurred as per Statement of Operations, excluding valuation adjustments. ($282,783 less (787 + 318) = 281,678).
(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 4, allocated by square footage.
(3) Cost shown for Legal Services on Schedule 4, estimated costs incurred by each program.
(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts were allocated as follows:
— Vacation Pay - allocated to the program by employee,
— Doubtful Accounts Provision - estimated allocation to program.

DEPARTMENT OF THE SOLICITOR GENERAL

FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

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Schedule of Related Party Transactions 108

Schedule of Allocated Costs 109

AUDITOR GENERAL
Alberta

Auditor's Report

To the Solicitor General

I have audited the statement of financial position of the Department of the Solicitor General as at March 31, 2004, and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the management of the Department. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2004, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 21, 2004

Department of the Solicitor General
Statement of Operations
Year Ended March 31, 2004

(in thousands)

	2004 Budget (Schedule 3)	2004 Actual	Restated 2003 Actual (Note 3)
Revenues (Schedule 1)			
Transfer from the Government of Canada	$ 23,517	$ 22,498	$ 22,751
Fees, Permits and Licences	325	349	367
Other Revenue	65	369	966
	23,907	23,216	24,084
Expenses – Directly Incurred (Note 2b and Schedule 7)			
Voted (Schedules 2 and 4)			
Ministry Support Services	5,870	5,650	5,487
Public Security	129,830	131,062	120,409
Correctional Services	131,507	132,996	129,206
	267,207	269,708	255,102
Statutory (Schedules 3 and 4)			
Valuation Adjustments			
Provision for Doubtful Accounts	100	-	-
Provision for Vacation Pay	67	768	708
	167	768	708
	267,374	270,476	255,810
Net Operating Results	$ (243,467)	$ (247,260)	$ (231,726)

The accompanying notes and schedules are part of these financial statements.

Department of the Solicitor General
Statement of Financial Position
March 31, 2004

(in thousands)

	2004	Restated 2003 (Note 3)
Assets		
Cash	$ 24	$ 24
Accounts Receivable (Note 4)	7,018	3,464
Advances	4	2
Tangible Capital Assets (Note 5)	1,295	1,542
	$ 8,341	$ 5,032
Liabilities		
Accounts Payable and Accrued Liabilities	$ 48,622	$ 43,954
Net Liabilities		
Net Liabilities at Beginning of Year	(38,922)	(33,593)
Net Operating Results	(247,260)	(231,726)
Prior Period Adjustment for Capital Assets (Note 3b)	-	146
Net Transfer from General Revenues	245,901	226,251
Net Liabilities at End of Year	(40,281)	(38,922)
	$ 8,341	$ 5,032

The accompanying notes and schedules are part of these financial statements.

Department of the Solicitor General
Statement of Cash Flow
Year Ended March 31, 2004

(in thousands)

	2004	Restated 2003 (Note 3)
Operating Transactions		
Net Operating Results	$ (247,260)	$ (231,726)
Non-cash items included in Net Operating Resuits		
Amortization	291	312
Valuation Adjustments	768	708
	(246,201)	(230,706)
(Increase) Decrease in Accounts Receivable	(3,554)	4,334
(Increase) Decrease in Advances	(2)	3
Increase in Accounts Payable and Accrued Liabilities	3,900	1,211
Cash Applied to Operating Transactions	(245,857)	(225,158)
Capital Transactions		
Acquisition of Tangible Capital Assets	(44)	(1,093)
Cash Applied to Capital Transactions	(44)	(1,093)
Financing Transactions		
Net Transfer from General Revenues	245,901	226,251
Decrease in Cash	-	-
Cash, Beginning of Year	24	24
Cash, End of Year	$ 24	$ 24

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF THE SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

Note 1 Authority and Purpose

The Department of the Solicitor General operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department's purpose is to serve Albertans by ensuring safe and secure communities through effective policing, security and correctional services.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Department of the Solicitor General, which is part of the Ministry of the Solicitor General and for which the Solicitor General is accountable. Other entities reporting to the Minister include the Victims of Crime Fund (a regulated fund). The activities of this organization are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Solicitor General is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the Department's operations are disclosed in Schedule 7.

Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $15,000.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities represent all financial claims payable by the Department at fiscal year end.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Department and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Note 3 Program Transfers and Tangible Capital Assets

(in thousands)

a) Effective April 1, 2003 the Native Courtworker program was transferred from Alberta Solicitor General to Alberta Justice. Comparative figures for 2003 in these financial statements have been restated as if Alberta Justice had delivered this program in 2002-03. All statements and schedules have been restated with the change to the Statement of Financial Position shown below.

Net Operating Results

As previously reported	$(232,813)
Add program expenses transferred to Justice	1,087
Restated for the year ended March 31, 2003	$(231,726)

Net Transfer from General Revenues

As previously reported	$227,338
Deduct funding not required	(1,087)
Restated for the year ended March 31, 2003	$226,251

Note 3 Program Transfers and Tangible Capital Assets (continued)

(in thousands)

b) Tangible capital assets have been restated to reflect prior period purchases, disposals and associated amortization. Capital asset purchases were reclassified from supplies and services and disposals previously unrecorded were recorded. All statements and schedules have been restated with the change to the Statement of Financial Position shown below.

Capital Assets

As previously reported	$1,396
Add prior period additions net of disposals	146
Restated for the year ended March 31, 2003	$1,542

Net Liabilities

As previously reported	$(33,593)
Deduct increase in net capital assets	146
Restated Net Liabilities for the year ended March 31, 2003	$(33,447)

Note 4 Accounts Receivable

(in thousands)

	2004			2003
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 5,822	$ -	$ 5,822	$ 3,010
Other	1,196	-	1,196	454
	$ 7,018	$ -	$ 7,018	$ 3,464

Accounts receivable are unsecured and non-interest bearing.

Note 5 Tangible Capital Assets

(in thousands)

	2004				Restated 2003
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value Restated
Equipment	10 years	$ 6,459	$ 5,287	$ 1,172	$ 1,435
Building	40 years	17	17	-	16
Computer Hardware and Software	5-10 years	156	33	123	91
Total		$ 6,632	$ 5,337	$ 1,295	$ 1,542

Note 6 Commitments

(in thousands)

As at March 31, 2004, the Department is committed under contracts, which expire on various dates to March 2012, totaling $349,774 (2003 - $336,342). This includes a commitment for the Provincial Police Service Agreement. The Provincial Police Service Agreement with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. The term of this contract is from April 1, 1992 to March 31, 2012. The cost of this police service agreement was estimated at $101,706 (2003 - $98,467). Under the terms of the agreement, Alberta may terminate the agreement with a two-year notice served on March 31, in any year. The commitment, based on the minimum notice period, is estimated to be $324,000 as at March 31, 2004 (2003 - $312,400), which represents payments for policing services until March 31, 2007.

The Department leases equipment and vehicles under operating leases, which expire on various dates to 2008. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year	(in thousands)
2005	$ 450
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2007	158
2008	34
Total	$ 934

Note 7 Contingencies
(in thousands)

As at March 31, 2004, the Department is a defendant in fifty six legal claims (2003 – fifty three legal claims). Forty four of these claims have specified amounts totaling $24,519 and the remaining twelve have no specified amount (2003 – forty six claims with a specified amount of $35,844 and seven with no specified amount). Included in the total legal claims is one claim with no specified amount (2003 – there was no such claim) in which the Department was jointly named with other entities. Forty eight claims amounting to $22,909 (2003 – forty two claims totaling $32,363) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 8 Trust Funds Under Administration
(in thousands)

The Department administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Department's financial statements.

Institutional Trust receives and disburses inmate funds used for their personal needs, and inmate welfare funds that are administered on their behalf. As at March 31, 2004, the amount of the trust assets under administration net of trust liabilities held for the Institutional Trust was $488 (2003 restated - $427). Total trust receipts exceeded total trust disbursements in 2003-2004 by $61 (2003 restated - receipts exceeded disbursements $119).

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(in thousands)

The Department has an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of Justice Canada. Proceeds received from Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the Department under authority of the *Financial Administration Act*, Section 25. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements.

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Note 9 Payments Under Agreement (continued)

(in thousands)

The Department also had two one time only funding agreements with the Government of Canada. Costs incurred under these agreements are made by the Department under authority of the *Financial Administration Act*, Section 25. Accounts receivable includes $348 (2003 - $325) for the *Youth Criminal Justice Act* and $0 (2003 - $39) for the G8 Summit. Total accounts receivable from the Government of Canada for the year ended March 31, 2004 are $348 (2003 - $364) and are reflected in the Statement of Financial Position.

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	$ 348	$ 1,473

Note 10 Defined Benefit Plans

(in thousands)

The Department participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $6,670 for the year ended March 31, 2004 (2003 - $5,626).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014 (2002 - $301,968) and the Public Service Pension Plan reported an actuarial deficiency of $596,213 (2002 - $175,528). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312 (2002 - $6,472).

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Note 11 Comparative Figures

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Department of the Solicitor General
Schedule to Financial Statements
Revenues
Year Ended March 31, 2004

Schedule 1

(in thousands)

	2004		Restated 2003
	Budget	Actual	Actual (Note 3)
Transfer from the Government of Canada			
Young Offenders Program	$ 20,557	$ 19,542	$ 19,297
Federal Inmates Program	2,500	2,312	3,018
Other	460	644	436
	23,517	22,498	22,751
Fees, Permits and Licences			
Private Investigator Fees	325	349	367
Other Revenue			
Refunds of Expenditure	25	158	93
Miscellaneous	40	211	873
	65	369	966
	$ 23,907	$ 23,216	$ 24,084

Department of the Solicitor General
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2004

Schedule 2

(in thousands)

	2004		Restated 2003
	Budget	Actual	Actual (Note 3)
Voted			
Salaries, Wages and Employee Benefits (a)	$ 121,583	$ 125,323	$ 119,023
Supplies and Services (a)	142,635	141,170	131,515
Grants	2,727	2,875	4,199
Financial Transactions and Other	53	49	53
Amortization of Tangible Capital Assets	209	291	312
Total Voted Expenses	$ 267,207	$ 269,708	$ 255,102

(a) Salaries, wages and employee benefits and supplies and services expenses for Strategic Services programs are shared with the Ministry of Justice, which contributes its own share of expenses. Only the Department of the Solicitor General portion is disclosed in this schedule.

Department of the Solicitor General
Schedule to Financial Statements
Budget
Year Ended March 31, 2004

Schedule 3

(in thousands)

	2003-2004 Estimates	Authorized Supplementary (a)	2003-2004 Authorized Budget
Revenues			
Transfer from the Government of Canada	$ 23,517	$ -	$ 23,517
Fees, Permits and Licences	325	-	325
Other Revenue	65	-	65
	23,907	-	23,907
Expenses - Directly Incurred			
Voted			
Ministry Support Services	5,870	-	5,870
Public Security	129,830	3,500	133,330
Correctional Services	131,507	-	131,507
	267,207	3,500	270,707
Statutory			
Valuation Adjustments			
Provision for Doubtful Accounts	100	-	100
Provision for Vacation Pay	67	-	67
	167	-	167
Total Expenses	267,374	3,500	270,874
Net Operating Results	$ (243,467)	$ (3,500)	$ (246,967)
Equipment/Inventory Purchases	$ 150	$ -	$ 150

(a) Supplementary Estimates were approved on December 4, 2003.

Department of the Solicitor General
Schedule to Financial Statements
Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget
Year Ended March 31, 2004

Schedule 4

DEPARTMENT SUMMARY
(in thousands)

	Program	2003-2004 Estimates	Authorized Supplementary (a)	2003-2004 Authorized Budget	2003-2004 Actual Expense (b)	Unexpended (Over Expended)
VOTED OPERATING AND EQUIPMENT/INVENTORY PURCHASES						
1	Ministry Support Services	$ 5,870	$ -	$ 5,870	$ 5,650	$ 220
2	Public Security	129,830	3,500	133,330	131,064	2,266
3	Corrections	131,657	-	131,657	133,038	(1,381)
		$ 267,357	$ 3,500	$ 270,857	$ 269,752	$ 1,105
Operating Expense		$ 267,207	$ 3,500	$ 270,707	$ 269,708	$ 999
Equipment/Inventory Purchases		150	-	150	44	106
		$ 267,357	$ 3,500	$ 270,857	$ 269,752	$ 1,105
STATUTORY EXPENSES						
	Valuation Adjustments	$ 167	$ -	$ 167	$ 768	$ (601)
		$ 167	$ -	$ 167	$ 768	$ (601)

(a) Supplementary Estimates were approved on December 4, 2003.

(b) Includes achievement bonus amounting to $921.

Department of the Solicitor General
Schedule to Financial Statements
Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget
Year Ended March 31, 2004

Schedule 4 (continued)

PROGRAM 1 – MINISTRY SUPPORT SERVICES
(in thousands)

	Program	2003-2004 Estimates	Authorized Supplementary	2003-2004 Authorized Budget	2003-2004 Actual Expense (a)	Unexpended (Over Expended)
1.0.1	Minister's Office	$ 326	$ -	$ 326	$ 353	$ (27)
1.0.2	Deputy Minister's Office	470	-	470	489	(19)
1.0.3	Communications	355	-	355	301	54
1.0.4	Strategic Services	3,675	-	3,675	3,382	293
1.0.5	Human Resources	1,039	-	1,039	1,104	(65)
1.0.6	Amortization of Tangible Capital Assets	5	-	5	21	(16)
TOTAL PROGRAM		$ 5,870	$ -	$ 5,870	$ 5,650	$ 220

Department of the Solicitor General
Schedule to Financial Statements
Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget
Year Ended March 31, 2004

PROGRAM 2 – PUBLIC SECURITY
(in thousands)

	Program	2003-2004 Estimates	Authorized Supplementary	2003-2004 Authorized Budget	2003-2004 Actual Expense (a)	Unexpended (Over Expended)
2.1	**Program Support**					
2.1.1	Program Support Services	$ 1,822	$ -	$ 1,822	$ 1,618	$ 204
2.1.2	Law Enforcement Review Board	184	-	184	137	47
2.1.3	Amortization of Tangible Capital Assets	8	-	8	90	(82)
	Total Sub-program	2,014	-	2,014	1,845	169
2.2	**Policing Programs**					
2.2.1	Crime Prevention	577	-	577	588	(11)
2.2.2	Provincial Policing Programs	106,909	3,500	110,409	108,327	2,082
2.2.3	First Nations Policing	5,259	-	5,259	4,903	356
	Total Sub-program	112,745	3,500	116,245	113,818	2,427
2.3	**Security Operations**					
2.3.1	Protection Services					
	- Operating Expense	3,634	-	3,634	4,215	(581)
	- Equipment/Inventory Purchases	-	-	-	2	(2)
2.3.2	Security Operations	11,437	-	11,437	11,184	253
	Total Sub-program	15,071	-	15,071	15,401	(330)
TOTAL PROGRAM		$ 129,830	$ 3,500	$ 133,330	$ 131,064	$ 2,266

Department of the Solicitor General
Schedule to Financial Statements
Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget
Year Ended March 31, 2004

Schedule 4 (continued)

PROGRAM 3 – CORRECTIONAL SERVICES
(in thousands)

	Program	2003-2004 Estimates	Authorized Supplementary	2003-2004 Authorized Budget	2003-2004 Actual Expense (a)	Unexpended (Over Expended)
3.1	**Program Support**					
3.1.1	Program Support Services					
	- Operating Expense	$ 5,235	$ -	$ 5,235	$ 5,803	$ (568)
	- Equipment/Inventory Purchases	-	-	-	42	(42)
3.1.2	Amortization of Tangible Capital Assets	196	-	196	180	16
	Total Sub-program	5,431	-	5,431	6,025	(594)
3.2	**Institutional Services**					
3.2.1	Adult Remand and Correctional Centres					
	- Operating Expense	76,549	-	76,549	81,429	(4,880)
	- Equipment/Inventory Purchases	150	-	150	-	150
3.2.2	Young Offender Centres	18,814	-	18,814	18,085	729
	Total Sub-program	95,513	-	95,513	99,514	(4,001)
3.3	**Community Correctional Services**					
3.3.1	Community Corrections	14,663	-	14,663	15,737	(1,074)
3.3.2	Young Offender Services	6,453	-	6,453	4,154	2,299
	Total Sub-program	21,116	-	21,116	19,891	1,225
3.4	**Purchased Community Services**					
3.4.1	Community Residential Centres	5,965	-	5,965	4,488	1,477
3.4.2	Community Service Contracts	3,632	-	3,632	3,120	512
	Total Sub-program	9,597	-	9,597	7,608	1,989
TOTAL PROGRAM		$ 131,657	$ -	$ 131,657	$ 133,038	$ (1,381)

Department of the Solicitor General
Schedule to Financial Statements
Salary and Benefits Disclosure
Year Ended March 31, 2004

Schedule 5

	2004				2003
	Base Salary[1]	Other Cash Benefits[2]	Other Non Cash Benefits[3]	Total	Total
Deputy Minister (4)	$ 152,808	48,935	$ 10,405	$ 212,148	$ 199,841
Assistant Deputy Minister, Correctional Services	128,364	18,798	29,072	176,234	177,290
Assistant Deputy Minister, Public Security	128,364	18,798	29,024	176,186	169,565
Assistant Deputy Minister, Strategic Services (5)	128,364	18,798	28,479	175,641	177,456
Executive Director, Human Resources (5)	101,186	17,725	27,114	146,025	138,707

Total salary and benefits relating to a position are disclosed.

(1) Base salary includes regular base pay.

(2) Other cash benefits includes bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances.

(5) The incumbents' services are shared with the Ministry of the Justice, which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this Schedule.

Department of the Solicitor General
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2004
(in thousands)

Schedule 6

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2004	2003
Expenses – Directly Incurred		
Alberta Corporate Service Centre	$ 3,464	$ 3,602
Information Technology	796	992
Vehicles (CVO/EVO)	58	92
Queen's Printer	-	3
Air Transportation	13	29
Parking	6	6
	$ 4,337	$ 4,724

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 7.

	Other Entities	
	2004	2003
Expenses – Incurred by Others		
Accommodation	$ 27,887	$ 26,046
Legal Services	937	789
	$ 28,824	$ 26,835

The Department receives services under contracts managed by the Ministry of Government Services, Alberta Corporate Service Centre (ACSC). Any commitments under these contracts are reported by ACSC.

Department of the Solicitor General
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2004
(in thousands)

Schedule 7

	2004						2003
		Expenses – Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Restated Total Expenses (Note 3)
Ministry Support Services	$ 5,650	$ 29	$ 29	$ 67	$ -	$ 5,775	$ 5,966
Public Security	131,062	1,002	80	346	-	132,490	121,024
Correctional Services	132,996	26,856	828	355	-	161,035	155,655
	$ 269,708	$ 27,887	$ 937	$ 768	$ -	$ 299,300	$ 282,645

(1) Expenses Directly Incurred as per Statement of Operations, excluding valuation adjustments. ($270,476 less 768 = 269,708).
(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 6, allocated by square footage.
(3) Cost shown for Legal Services on Schedule 6, estimated costs incurred by each program.
(4) Valuation Adjustments as per Statement of Operations. Employee Benefits for vacation pay was allocated to the program by employee.

VICTIMS OF CRIME FUND

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

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Schedule of Related Party Transactions 124

Schedule of Allocated Costs 125

AUDITOR GENERAL
Alberta

Auditor's Report

To the Solicitor General

I have audited the statement of financial position of the Victims of Crime Fund as at March 31, 2004, and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2004, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

FCA
Auditor General

Edmonton, Alberta
May 21, 2004

Victims of Crime Fund
Statement of Operations
Year Ended March 31, 2004

(in thousands)

	2004 Budget (Schedule 1)	2004 Actual	2003 Actual
Revenues			
Investment Income			
Bank Interest	$ 300	$ 287	$ 182
Other Revenue			
Federal Fine Surcharge	1,500	992	1,136
Provincial Fine Surcharge	14,544	16,756	12,370
Expenditure Refunds	-	22	12
	16,344	18,057	13,700
Expenses - Directly Incurred (Notes 2b and 10)			
Program Costs			
Financial Benefits	7,070	9,133	6,933
Victims Programs	2,334	2,283	2,132
Criminal Injuries Review Board	233	279	295
Administration	408	275	367
	10,045	11,970	9,727
Valuation Adjustments			
Provision for Doubtful Accounts	100	318	164
Provision for Vacation Pay	-	19	13
	100	337	177
	10,145	12,307	9,904
Net Operating Results	$ 6,199	$ 5,750	$ 3,796

The accompanying notes and schedules are part of these financial statements.

Victims of Crime Fund
Statement of Financial Position
March 31, 2004

	(in thousands)	
	2004	2003
Assets		
Cash (Note 3)	$ 11,513	$ 7,051
Accounts Receivable (Note 4)	13,098	10,683
Tangible Capital Assets (Note 5)	312	255
	$ 24,923	$ 17,989
Liabilities		
Accounts Payable and Accrued Liabilities	$ 3,269	$ 2,085
Net Assets (Note 2b)		
Net Assets at Beginning of Year	15,904	12,108
Net Operating Results	5,750	3,796
Net Assets at End of Year	21,654	15,904
	$ 24,923	$ 17,989

The accompanying notes and schedules are part of these financial statements.

Victims of Crime Fund
Statement of Cash Flow
Year Ended March 31, 2004

	(in thousands)	
	2004	2003
Operating Transactions		
Net Operating Results	$ 5,750	$ 3,796
Valuation Adjustments	337	177
Increase in Accounts Receivable	(2,733)	(555)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	1,165	(258)
Cash Provided by Operating Transactions	4,519	3,160
Capital Transactions		
Acquisition of Tangible Capital Assets	(57)	(214)
Cash applied to Capital Transactions	(57)	(214)
Increase in Cash	4,462	2,946
Cash, Beginning of Year	7,051	4,105
Cash, End of Year	$ 11,513	$ 7,051

The accompanying notes and schedules are part of these financial statements.

VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

Note 1 Authority and Purpose

The Victims of Crime Fund (the "Fund"), a regulated fund held and administered by the Minister of Finance, operates under the authority of the *Victims of Crime Act*, Chapter V-3, Revised Statutes of Alberta 2000. The Solicitor General is responsible for the Fund under the authority of the *Government Organization Act*, Statutes of Alberta.

The purpose of the Fund is to provide grants to victims' programs and to pay benefits to victims, or their dependants, who suffer injury or death as the result of a criminal offence specified in the regulations of the *Victims of Crime Act*, using provincial and federal fine surcharge revenues.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies.

(a) Reporting Entity

The reporting entity is the Victims of Crime Fund, which is part of the Ministry of the Solicitor General and for which the Solicitor General is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Fund has primary responsibility and accountability for. Expenses represent the costs of the victims program, the costs of the financial benefits program and administration costs. Grants are recorded as expenses when approved by the Solicitor General and all terms and conditions of eligibility for payment have been met. Financial benefits are recorded as an expense when the obligation to pay is likely and the amount payable on applications submitted can be reasonably estimated.

In addition to program operating expenses like salaries, supplies etc., directly incurred expenses also include:

- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services incurred by other entities in support of the Fund's operations are disclosed in Schedule 3.

Assets

Financial assets of the Fund are limited to cash and accounts receivable.

Tangible capital assets of the Fund are recorded at historical cost and will be amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new system development is $100,000 and the threshold for all other tangible capital assets is $15,000.

Liabilities

Liabilities represent all financial claims payable by the Fund at fiscal year end.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Fund and its liabilities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Accounts receivable, recorded as $13,098 in these financial statements, is subject to measurement uncertainty. Victims of Crime Fund accounts receivable excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the fine. Outstanding surcharges expected to be satisfied by other means of $1,025 (2003 - $963) have been deducted from total outstanding surcharges of $13,499 (2003 - $11,118) to arrive at reported revenue and related accounts receivable. The estimate of $1,025 is based on the actual percentage satisfied in this manner from April 1, 2003 to March 31, 2004. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of $2,184 (2003 - $1,412) in these financial statements, is subject to measurement uncertainty.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of five years. The Fund earns interest on its daily cash balance at the average rate of earnings of the CCITF, which may vary depending on prevailing market interest rates.

Note 4 Accounts Receivable
(in thousands)

	2004			2003
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Fine Surcharge				
Provincial	$ 11,794	$ 322	$ 11,472	$ 8,977
Federal	2,107	481	1,626	1,706
Accounts Receivable	$ 13,901	$ 803	$ 13,098	$ 10,683

Accounts receivable are unsecured and non-interest bearing.

Note 5 Tangible Capital Assets
(in thousands)

	2004				2003
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Hardware and Software	5-10 years	$ 312	$ -	$ 312	$ 255
Total		$ 312	$ -	$ 312	$ 255

The Victims Assistance Status Tracking System (VAST) is scheduled to be placed in service in the fiscal year 2004-2005.

Note 6 Commitments

(in thousands)

Proclamation of the *Victims of Crime Act* in 1997 repealed the *Criminal Injuries Compensation Act*, dissolving the Crimes Compensation Board. The Director under the *Victims of Crime Act* assumed the administrative responsibility and the Fund assumed financial responsibility for future obligations associated with the former Board's compensation claims. A number of these claims involve a monthly payment for continuing loss of support or income and/or cost of care. These payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount. Recipients are also expected to advise the Fund of any significant change in circumstance or status between review dates.

In March 2004, forty three eligible recipients received a monthly payment (forty seven eligible recipients in March 2003). The total estimated amount of all monthly payments to eligible recipients for 2004-05 is $557 (2003-04, $582). These eligible recipients will continue to be paid in future years if it is determined during the annual review that they continue to meet the eligibility criteria and the payments are approved by the Director. An estimate of the total payments for 2005-06 and future years cannot be reliably determined.

Note 7 Victims Programs

(in thousands)

The Fund has entered into longer term funding arrangements with organizations for delivery of victim services to communities. These arrangements, subject to satisfaction of reporting and service delivery requirements, are $1,358 in 2004-05 and $459 in 2005-06.

Note 8 Financial Benefits

(in thousands)

As at March 31, 2004, there were seven hundred forty two (2003 – three hundred ninety four) active applications for financial benefits with the Victims of Crime program. Sufficient information was received to conclude determinations of eligibility and assess injuries on one hundred thirty one applications (2003 – twenty). There were six hundred eleven applications (2003 - three hundred seventy four) requiring additional information to make final determinations on individual applications. A liability of $617 (2003 - $36) was recorded for individual applications where sufficient information was received to confirm eligibility and where the amount could be determined under regulations to the *Victims of Crime Act*. An additional estimated liability of $2,184 (2003 - $1,412), subject to variation, was recorded based on historical information for those applications with insufficient information to make final determinations. The total amount accrued for financial benefits included in accounts payable and accrued liabilities amount to $2,801 (2003 - $1,448).

Note 9 Defined Benefit Plans

(in thousands)

The Fund participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Fund also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $68 for the year ended March 31, 2004 (2003 - $44).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014 (2002 - $301,968) and the Public Service Pension Plan reported an actuarial deficiency of $596,213 (2002 - $175,528). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312 (2002 - $6,472).

The Fund also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of $9,766 (2003 - $14,434) and the Management, Opted Out and Excluded Plan an actuarial surplus of $1,298 (2003 – actuarial deficiency of $3,053). The expense for these two plans is limited to employer's annual contributions for the year.

Note 10 Expenses – Directly Incurred Detailed by Object

(in thousands)

	2004		2003
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	$ 719	$ 909	$ 706
Supplies and Services	718	442	632
Grants	8,540	10,619	8,389
Amortization	68	-	-
Total Fund Expenses	$ 10,045	$ 11,970	$ 9,727

Note 11 Salary and Benefits Disclosure

Salary and benefits disclosure pursuant to Treasury Board Directive 12/98 is not included as management decisions on the Fund are made by Senior Officials of the Department of the Solicitor General.

Note 12 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General.

Victims of Crime Fund **Schedule 1**

Schedule to Financial Statements

Comparison of Expenses Directly Incurred and Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

Year Ended March 31, 2004

(in thousands)

	Program	2003-2004 Budget	Treasury Board Authorized (a)	2003-2004 Authorized Budget	2003-2004 Actual Expense	Unexpended (Over Expended)
EXPENSES						
1	Financial Benefits	$ 7,070	$ 1,700	$ 8,770	$ 9,133	$ (363)
2	Victims Programs	2,334	-	2,334	2,283	51
3	Criminal Injuries Review Board	233	-	233	279	(46)
4	Administration	408	-	408	275	133
		$ 10,045	$ 1,700	$ 11,745	$ 11,970	$ (225)
Operating Expense		$ 10,045	$ 1,700	$ 11,745	$ 11,970	$ (225)
Equipment/Inventory Purchases		25	-	25	57	(32)
		$ 10,070	$ 1,700	$ 11,770	$ 12,027	$ (257)
STATUTORY EXPENSES						
	Valuation Adjustments	$ 100	$ -	$ 100	$ 337	$ (237)
		$ 100	$ -	$ 100	$ 337	$ (237)

(a) An increase to the expenditure of the Fund was authorized by Treasury Board. Treasury Board authorized an increase to the expenditure on the basis of an offsetting increase to revenues of the Fund.

Victims of Crime Fund
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2004

Schedule 2

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management of the Fund.

The Fund and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Fund had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2004	2003
Expenses - Directly Incurred		
Information Technology	$ 9	$ 5
Alberta Corporate Service Centre	7	4
	$ 16	$ 9

The Fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 3.

	Other Entities	
	2004	2003
Expenses - Incurred by Others		
Accommodation	$ 56	$ 58
Legal Services	6	80
	$ 62	$ 138

The Fund receives services under contracts managed by the Ministry of Government Services, Alberta Corporate Service Centre (ACSC). Any commitments under these contracts are reported by ACSC.

Victims of Crime Fund
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2004

Schedule 3

(in thousands)

	2004						2003
		Expenses – Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Regulated Fund:							
Financial Benefits	$ 9,133	$ 43	$ -	$ 24	$ 243	$ 9,443	$ 7,072
Victims Programs	2,283	11	-	42	61	2,397	2,174
Criminal Injuries Review Board	279	1	6	-	7	293	405
Administration	275	1	-	(47)	7	236	391
	$ 11,970	$ 56	$ 6	$ 19	$ 318	$ 12,369	$ 10,042

(1) Expenses-Directly Incurred as per Statement of Operations, excluding valuation adjustments. (12,307 less (19 + 318) = 11,970).

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square footage.

(3) Costs shown for Legal Services on Schedule 2, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts were allocated as follows:
- Vacation Pay – allocated to the program by employee,
- Doubtful Accounts Provision – estimated allocation to program.

Other Financial Information

The Following Information is Unaudited

Other Financial Information

Statement of Remissions, Compromises and Write-offs for the Year Ended March 31, 2004

The following statement of compromises and write-offs has been prepared pursuant to Section 23 of the *Financial Administration Act*. The statement includes all compromises and write-offs of the Ministry of Solicitor General made or approved during the fiscal year.

	$ (000)
Remissions:	$ -
Compromises:	$ -
Write-offs:	
Provincial Fine Surcharges	$ 475
Federal Fine Surcharge	262
	$ 737
Total Remissions, Compromises and Write-offs	$ 737

Alphabetical List Of Entities' Financial Statements In Ministry 2003-04 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Agriculture Financial Services Corporation[1]	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Dairy Control Board[2]	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Revenue
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	

[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.
[2] Dissolved August 1, 2003

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[2]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[2]	Economic Development
Ministry of Energy	Energy
Ministry of Environment[2]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[2]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[2]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[2]	Human Resources and Employment
Ministry of Infrastructure[2]	Infrastructure
Ministry of Innovation and Science	Innovation and Science

[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.
[2] Ministry includes only the departments so separate department financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations
Ministry of Justice[1]	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[1]	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation[1]	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Boards:	Community Development
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
Provincial Board	
South Region Community Board	
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	Community Development

[1] Ministry includes only the departments so separate department financial statements are not necessary.

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	*Ministry Annual Report*
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Provincial Judges and Masters in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment